

# MIDNIGHT OIL

WORK, ENERGY, WAR, 1973 - 1992



# MIDNIGHT NOTES



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WORK, ENERGY, WAR  
1973-1992

MIDNIGHT NOTES COLLECTIVE

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## INTRODUCTION

**T**HE LARGEST AND SWIFTEST MASS LAYOFF IN DECADES. FIVE MILLION WORKERS uprooted, deported, murdered or otherwise severed from their means of subsistence as a result of the Gulf War. Yemeni gardeners, Palestinian teachers, Sudanese truckers, Pakistani welders, Sri Lankan houseworkers, Egyptian agricultural laborers, and Filipino waiters were all caught in the tidal rushes unleashed by the militarization and subsequent engagement of armed forces in the Gulf. These workers were, and are, indispensable to the Mideast oil industry. Brought to the region from Africa, Asia and the Middle East, and working under conditions of indentured servitude and outright slavery, it is their labor that makes possible the extraction, refining and distribution of one of the world's most precious substances.

Immediately after the war, and the flushing-out of these rebellious workers, all the oil-producing states of the Mideast began the long-planned capital investment programs designed to increase the capacity and productivity of their respective oil industries. Saudi Arabia, for instance, the largest producer in the Mideast, initiated a \$25 billion program. In order to finance the new investment, the oil industry internationally is relying on the increase in revenues generated by the steady rise in oil prices since 1988, an increase planned to continue over the course of the 1990s.

These investment programs, and the general rise in oil prices, have taken place within the context of International Monetary Fund (IMF) austerity programs and widespread resistance to them. In the late 1980s, nearly every Mideast country, from Morocco to Syria, attempted to adopt austerity budgets and privatization programs. Wages and government

benefits were cut, state industries were sold off and prices were raised. From Algeria to Jordan to Egypt and Morocco, such measures were met with widespread resistance that threatened the survival of old monarchies and regimes.

All of these facts are central to our explanation of the Gulf War. What appeared to be a confrontation between nation states was an event whose determinations partook little of the logic of inter-state conflicts. For *Midnight Notes*, the re-organization of millions of workers in the planet's most important oil-producing region was not an accidental by-product of the war, but rather a central objective, and one shared, despite some disputes, by the Iraqi, Kuwaiti, Saudi, European and US ruling classes. As the oil industry in the Mideast (and internationally) was preparing for its largest expansion in fifteen years, it needed both to recompose and terrorize an increasingly rebellious oil-producing proletariat. In the environment of an "international intifada" against IMF austerity plans, any new attempt to vastly debase workers' lives amidst new accumulations of wealth based on oil price increases was going to require a leap in the level of militarization. This is our working hypothesis and it is based not only on the brute facts of the Gulf War, its events and character, but on historical developments preceding the war and on similar processes of recomposition and militarization occurring elsewhere in the oil producing regions of the world.

This hypothesis is contrary to the explanations offered by the various governments that organized and supported the war as well as by those who opposed the war. The why and how of the Gulf War are, of course, complex questions and, thus, we have tried to present our answers in a logical, step by step, method in two articles that follow this introduction: "Oil, Guns and Money" and "Recolonizing the Oil Fields." We base our analysis of the war on oil: the workers who produce it (and those who reproduce their labor power, e.g., cooks, drivers, washers), the capitalists who profit from it and plan its pricing, and the states that seek to control the workers (their migrations, wages, conditions, etc.). We emphasize the recomposition of the working class, the expansion in investment, and the IMF austerity plans as key elements of our explanation.

The common hypotheses put forward by those who opposed the war ignored these matters. Too often the opponents were (and remain) content with simply pointing out the hypocrisy of the US government's action and condemning its brutality. When hypotheses are ventured they are either to claim that the US fought Iraq: a) to retain access to cheap imported oil; b) to impose its will over its European and Japanese competitors; c) to keep

the US oil companies in business and prevent a switch to alternative energy sources; d) to keep the Pentagon in business and ruin the chances for a peace dividend; e) to suppress a Third World state that was becoming too powerful and independent. None of these claims address the issue of the class struggle in the Mideast. Thus the significance of the mass expropriation concomitant with the war is understood solely within the logic of victimology and not in terms of the class relations in the Mideast. Nor have many of the opponents of the war seriously examined why the Iraqi government invaded Kuwait in the first place. Let us briefly review the specific pitfalls of these hypotheses:

a) Imported oil? National energy security? Cheap oil? The US imports only 10 percent of its oil from the Persian Gulf, a rate that has not increased since the end of the war. It had (and has) many other motivations for controlling the Persian Gulf oil industry: US oil company profits and petrodollars for the US banking system, for example.

The US government has no inherent interest in a low oil price. Over the past forty years, US policy makers have variously sought to increase and decrease the price of oil. Oil prices were declining between 1981-86 but began to increase thereafter. This recent price rise was encouraged by the US government.

b) Inter-capitalist competition with Europe and Japan? Whatever the reality of such competition, the fact is that France and Britain directly participated in the slaughter, and Germany and Japan contributed billions of dollars to pay for it. Theorists of inter-capitalist conflict neglect the quite obvious fact that Europe and Japan have always had as large a stake as the US in controlling the class relations in the Mideast and intimidating the oil proletariat. Oil does not suddenly appear in Osaka, magically pre-packaged with the "correct" price tag, nor do petrodollars flow into the international financial system through natural magnetic attractions. And the people of the Mideast, Africa and Asia do not cheerfully volunteer their labor and resources for international capital. In the post-WWII era, the US has arrogated the right to function as the police force in the Mideast, and Europe and Japan have colluded because such a police force is necessary, now more than ever.

c) The oil companies' prophylactic for alternative energy? The oil companies had no fear of some burgeoning environmental movement developing and consuming non-oil energy sources. There will only be a mass switch to alternative energy if it is economically viable within a given context of prices. Even if such a switch occurs the oil companies are poised to profit from it. This hypothesis is entirely mythical and appears

to derive only from the xenophobic and inflated imaginations of some US environmentalists.

d) The Pentagon's coup against the so-called peace dividend? A peace dividend was never a possibility in the first place. A peace movement that could not force a change in government spending during the Cold War was in no position to force a change after it. Moreover, there was no reason why the money that was going to be cut from the Pentagon would be devoted to social spending; decisions on such spending rest on capital's general economic strategy which, in the US today, is one of austerity, de-education, low wages, and low skills. Even if the peace dividend was a possibility, the Gulf War was not a sufficient means to outflank it. The war was conducted by having other countries pay for it (the US government may have actually turned a profit on the war). Additionally, the war was not a long term spending program. Immediately after it, the military's budget was cut, bases were closed and soldiers demobilized.

e) Putting down an "uppity" Third World state? The Ba'ath regime of Iraq was, by 1990, completely dependent upon European and US financing, technology, arms and trade. In fact, the money that Iraq gained from Kuwait more than likely would have been used to help pay off Western banks and corporations to which Iraq was severely in debt. The Ba'ath regime had ambitious plans for both military and industrial expansion that could not have been achieved without Western cooperation. The invasion of Kuwait was not an outcome of the increasing solvency and strength of the Iraqi government, but a desperate move by a regime in crisis. Given the Ba'ath Party's general and long-standing strategy of assisting and cooperating with Western capitalists and its vulnerability to external financing and trade, one would not expect that one apparent transgression would merit a holy crusade against it.

### Midnight Oil

The failure of these and other hypotheses put forward on the causes and consequences of the Gulf War has been one of the driving forces behind the publication of *Midnight Oil*. Through many midnight's in the last year, we in the Midnight Notes Collective joined with many others around the planet who asked: "How and why did this massacre occur and what does it mean for the future of the working class internationally?" *Midnight Oil* is the product of these nights and questions. It is our effort to explain the present, show its source in past class struggles, and to look at future prospects.

The first part of the book, *Oil Workers and Oil Wars*, contains two



articles that make up Midnight Notes' central argument on the Gulf War, "Oil, Guns and Money" and "Recolonization of the Oil Fields." The first briefly provides some historical background on capitalist energy strategy over the post-World War II period, while the second addresses itself more directly to the Gulf War.<sup>1</sup> Two other articles in the first section, "To Saudi With Love" and "The Post-Energy Crisis US Working Class Composition," detail the class composition in the Mideast and in the US from the energy crisis of the 1970s to the debt crisis of the 1980s. The following articles in the same section describe the world of oil work in the Mideast and Africa.

The remaining sections of the book provide elaborations upon our historical descriptions and theoretical groundings introduced in the first section. (The basic points in each article in these sections are summarized in "Oil, Guns and Money.") Sections two and three contain detailed analyses of the phases of capitalist development over the past twenty years. The articles in section two explain the energy crisis of the early 1970s in terms of capitalist strategy for recomposing the working class on an international level and how the strategy of the energy crisis itself reached a crisis point by 1979-80. Section three surveys the new strategies and struggles that emerged in the 1980s.

Most of the articles in this book are taken from the work of two publishing collectives, Zerowork and Midnight Notes. Publishing two issues between 1974 and 1977, Zerowork inaugurated an analysis of the contemporary international class struggle that centered on the "oil crisis" of 1973-74. A number of members of the Midnight Notes Collective were in or around Zerowork, and Midnight Notes further developed the method of class analysis found in Zerowork. Midnight Notes formed in 1979, publishing a total of ten issues and a number of pamphlets. As new readers may not be familiar with our method, a few general comments should be made.

### **The Planetary Class Struggle**

Midnight Notes begins with the presupposition that we are still living in a capitalist society, where work, price and profit are still essential determinants of life. These truisms may appear antiquated in the intellectual atmospherics of the early 1990s, replete with the gaseous emissions of post-structuralists, post-modernists, and post-Marxists. But just as capitalism has not transcended the blood and dirt of the world, and spiraled off into some pure world of signs and symbols where profit is nothing more than a rhetorical gesture, our analysis too must remain

rooted in our struggles for survival.

At *Midnight Notes*, we pose the reality and centrality of working class struggle. The struggle over the control of the means of production and subsistence substantially explains contemporary history. By the term working class we mean both those people who have to sell their labor power to survive and those who ensure that the labor power is in fact there to sell; in other words, those who reproduce the working class. Marxists and non-Marxists commonly understand the working class as comprising only those workers who are paid a wage. Yet today, as in the past, much of the labor performed in society is done outside the institutional framework of waged labor. Slave labor, which greatly defined four centuries of capitalist life, is the most obvious example of unwaged labor directly integrated into the accumulation process (e.g., producing the cotton for workers' clothes thereby cheapening the workers' means of subsistence).

For us, the working class is the class that produces capitalist wealth by carrying out unpaid labor. Marx's theory of surplus value shows how waged workers produce a surplus over and above the value of the wages needed to reproduce themselves. But this result is usually restricted to describe only those workers who are paid. In doing so, Marx and Marxists have not been Marxist enough. For it is the unpaid part of the workday summed over all the work done that day which determines commodity values. In contemporary capitalism, this category of the working class would include the work of housewives (reproducing labor power), students (training to function as labor power), and agrarian workers (producing subsistence goods for urban workers and existing as a reserve supply of labor power). Capitalist profit no doubt derives from extracting surplus labor from waged workers – this is what defines it from previous modes of production also based on unpaid labor – but it also directly derives the surplus from the unpaid labor of many unwaged workers.

It is important that we redefine "the working class" in this way so that we can comprehend the anti-capitalist thrust of what appear to be non-working class struggles and demands. Working class struggles are those that attempt to reduce the unpaid labor capital appropriates throughout the social circuit. Women's struggle against forced labor, student's struggle against forced military labor, indigenous peoples' struggle against land expropriation are all working class struggles. The point of stressing the term "working class" here is not to homogenize the various struggles – indeed we must understand their heterogeneity – but to help comprehend their commonality and thus to indicate how we might avoid

reproducing the divisions of our class within the capitalist world.

Since the 1970s, many leftists have adopted a “social movements” perspective in which the working class is just one sphere of some generalized movement for social change. The women’s movement, the environmentalist movement, the gay men and lesbian movement, the Black movement (among others) are theorized as spheres of a vaguely defined “liberatory politics.” The “working class,” narrowly defined as industrial waged workers, is not accorded any primacy. But the vision of all these spheres floating around is like the idea of the ancient astronomers who thought that the astral spheres orbited in a vacuum. The fact is that, regardless of one’s gender, race, sexual preference, or feelings towards the earth, we all move through capitalist space; we live on capitalist soil, we eat capitalist bread, we expend our body’s energy in capitalist work. Everything is a commodity – the water, the land, even the air (i.e., clean air) – and must be purchased through work. We experience the unity of capitalism in very different and at times apparently contradictory ways, but nonetheless the unity remains.

A recategorization of the working class allows us to see the diversity of agents behind a distinctly anti-capitalist project. If capitalism is all-pervasive, the struggle against it must operate on many fronts. Instead of evacuating the working class content of various “social movements,” we must attempt to deepen this content. This wider and more complex conception of the working class used by both *Midnight Notes* and *Zerowork* has been influenced by the analysis of the Wages for Housework movement of the 1970s, which showed how women’s unwaged work in the family produced and reproduced the only commodity more basic and universal than energy – labor power itself.

*Midnight Notes* has also tried to define the composition of the working class, to look at the way the class is divided through the technical and political character of production and reproduction, e.g., division of labor, hierarchy of skills and wages, division between the employed and the reserve army of the unemployed, between the legal and the criminal. These divisions may take racial and sexual forms as well as other historical, sociological, geographical and physiological features. Within this composition, the various levels of strength and solidarity are determined through the course of struggle. In other words, the composition of the working class is a historically changing entity. Human classes no more sit still than biological species. Thus, we have also spoken of the recomposition and decomposition of the working class, where, simply put, recomposition involves the increasing power and unity of the working class, and

decomposition involves increasing division, intra-class conflict and powerlessness. The history of our era is formed by the continual decomposition and recomposition of the working class. For example, the struggles of both industrial wage workers and the unemployed in North America in the late 1960s to early 1970s (struggles based on a particular composition) led to a counterattack by capital which has entailed deindustrialization, increasing unemployment, deunionization, and immigration; that is, to decomposition.

The North American working class is now moving toward a recomposition on the basis of the new technical structures of production and reproduction, and the new political relations within the class. A new shape to the struggles against capital will emerge, though we should not preclude the possibility of struggle during the process of recomposition that will itself pose profound problems for capital. The new signs of North American class composition might be found in the service sector, where Latino and Caribbean workers are infusing new militancy into old unions; or in the non-unionized "mini-mills" of the steel industry, where the new industrial workers, recently thrown off their farms, are beginning to develop new forms of workplace organization; or in the alliance of dairy farmers and the urban Black working class struggling against the biotechnology industry.

Capital responds to our struggles with a whole array of sciences and technologies of power, from psychology to ergonomics to urine testing. When working class organizational forms achieve sufficient power to threaten the existing social arrangements which guarantee the production of surplus value, capital must try to rearrange the social relations in ways which thwart the centers of proletarian power and enable exploitation in a new social and technical form. Despite all its high-tech machines, space shuttles, laser beam weapons and genetic engineering, capital still depends on human work. That is what capital is: dead labor. Machines cannot produce value, and however much capital tries to eliminate humans from production altogether – with automation, artificial intelligence, and space stations – it must still depend on workers to make a profit. The whole of capitalist civilization pivots on the performance of these workers, whether they labor in the sterile laboratories of Silicon Valley or the muddy fields of Bangladesh.

*Midnight Oil* chronicles the latest round of this planetary class struggle where energy commodities are used by capitalists to alter and weaken the composition of the working class, while workers have sought ways of politically recomposing their power in the face of the destruction

of old bases of support. Some of the articles you are about to read are difficult because they reflect the complexity of this world. Yet at their core is simplicity itself – working class efforts to end exploitation and capital's attempts to extend it. Some might appear dated or analytically limited. But whatever their faults, they are all informed by the centrality of working class capacity to act autonomously and transform this world. As we live, we base our political analysis on this capacity and claim, in the midnight hour, to decipher the energy crises since 1973 and last year's Persian Gulf invasions.

### Notes

<sup>1</sup> These two articles contain much information from the pamphlet *Oil, Guns and Money* (1991) written by the Gulf Information Group (GIG), a Madison, Wisconsin research collective. One of Midnight Notes' members greatly contributed to the writing of the pamphlet. However, GIG was not involved in the preparation of these two articles and is not responsible for the views expressed therein.



# PART ONE

## OIL WORKERS AND OIL WARS





# 1

## OIL, GUNS AND MONEY

### *Midnight Notes Collective*

FROM THE MOMENTS WHEN IRAQI TROOPS MARCHED INTO KUWAIT AND US troops were airlifted and shipped to the Gulf, the question of oil has been persistently attached to this apparent confrontation of nation states. It is hard for anyone to avoid the conclusion that the subterranean lakes of oil had some important connection with the warmaking above the desert sands. Even the US government's own justification for its attack on Iraq was at times explicitly said to be the defense of Western access to Mideast oil and nearly every critical explanation of the Gulf crisis is framed with reference to oil. Though oil is a concrete and tangible substance, it is also slippery and volatile, one which evades analysis as much as the touch.

Oil has been one of the world's most important commodities in the post-War World II period and so the story of its use and trading is very nearly the story of capitalism. Concretely, oil is a material substance that is pumped from the earth, refined, and burned in factories, cars and kerosene stoves. Beyond its specific applications, oil's primary and general use is as a replacement for labor. Simply put, energy frees capital from labor. But oil is much more since it is also a commodity whose buying and selling greatly controls the global levels of prices, wages and profits. Oil figures into the production of almost all other commodities; as the price of oil goes up or down, all other prices tend to rise or fall accordingly.

What determines the price of oil? Many people assume that the market's "invisible hand" controls the price. However, this ignores the fact that oil is actually a prime instrument of capitalist planning and its price is determined by various political struggles. These struggles have gone through several historical phases.

### I. Oil: From the Keynesian Deal to the Oil Price Shocks

From WWII until the early 1970s, capitalist planning in the West was based upon the Keynesian strategy, named after the economist J.M. Keynes. This involved increasing wages and working class consumption along with increasing the productivity of factories – a strategy that required relatively cheap oil. This was the basis for the growth of the automobile-based economy in the US, the auto deal: more gas for the autos and more energy for the labor process which produced the autos. The price of oil was kept relatively stable through the 1950s and 1960s, and this reflected the stability of the Keynesian deal during those years.

Since much of the world's oil was owned, processed and sold by seven Western (mainly US-based) oil companies, the so-called Seven Sisters, it was not much of a problem for Western economic planners to set the price of oil so that it accorded with the general growth of the auto deal. From the early years of the post-WW II period until 1973, the ratio of profits that went to the petroleum and auto industries was almost fixed (see Graph # 1). In the planet's most productive oil producing region, the Mideast, these companies owned large tracts of land and paid only a nominal tax to the local governments. When the governments of oil producing countries demanded more tax revenue or more control over the oil within their borders, they were quickly sabotaged or overthrown by the US (e.g., Iran 1953, Iraq 1963, Indonesia 1965).

Within the US, the entire post-WW II economy and culture came to revolve around the auto and the assembly-line production process. Automobile production in the US jumped from three million per year in 1946 to eight million in 1950, subsequently rising to an annual average of about 10 million in the 1970s.<sup>1</sup> The building of the Red Sea pipeline, the formation of Israel, the switch from coal to diesel-powered locomotives on the railroads, Eisenhower's national highway building program, the Bituminous Coal Agreement in 1950 (which dramatically reduced the power of mine workers), and the ten-fold increase in the Arabian American Oil Company's (Aramco) annual production of crude oil between 1945 and 1950, were all key elements in the post-WWII shift from coal to oil as the basic source of energy.

Most forms of work, from schooling to agriculture to computation, were patterned on the auto assembly line, while the typical types of workers' struggles in the auto industry circulated throughout all branches of industry. The mass availability of the car caused a quantum leap in geographical mobility. Cities were redesigned to accommodate auto traffic and a new form of housing mushroomed: the suburb. Today, the

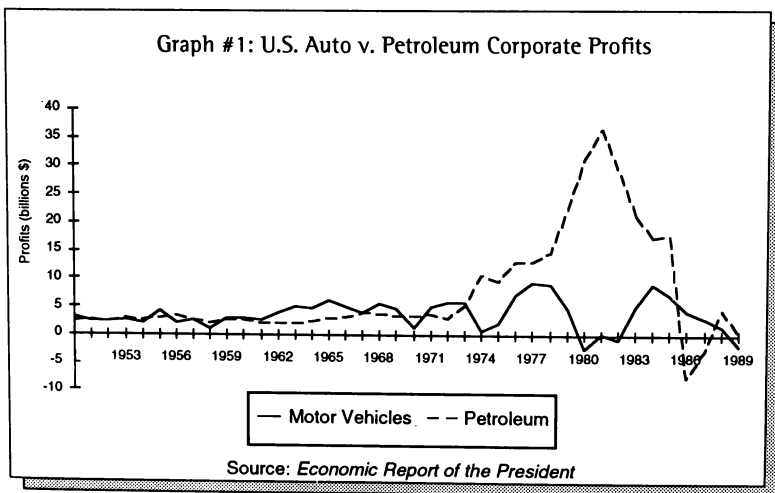
very spatial structure of US cities nearly requires auto transport. As the leading icon of mass culture, the car came to be endowed with eroticism, machismo and freedom.

### The Energy Crisis of 1973-74

The end of this auto era came in the late 1960s and early 1970s when working class struggles internationally broke the wage/productivity deal of Keynesianism. The response of capitalist planners to this attack was, in the US, to impose a generalized austerity, shrink the industrial proletariat and expand the labor market through increased immigration. In Europe, there has also been a corresponding decline in the labor intensity of manufacturing industry and an increase in immigration, along with chronically high rates of unemployment.

In the oil-producing states, anti-colonial struggles and working class demands forced world capital to accede to the nationalization programs. But multinational oil companies still retained control over refining, distribution, and technical capability as well as a powerful role in oil pricing policy. Oil-producing states from Venezuela and Nigeria to Libya and Saudi Arabia also began to fragment and expand their own working class by turning to the pools of multinational labor power in Latin America, Africa and Asia. [See "To Saudi With Love: Working Class Composition in the Mideast."]

The key mechanism for the reorganization of the working class and



the production process in the US, Europe and the oil-producing states was the increase in oil prices, the so-called "energy crisis." As mentioned earlier, the Keynesian profit strategy in the West had been predicated on incrementally increasing wages (consumer demand), disciplining "excessive" wage demands with the threat of unemployment, and increasing productivity faster than wages. Simply put, this strategy relied on the unionization of the mass worker, to enforce productivity, and the unpaid labor of housework, to reproduce the mass worker. But Henry Ford's utopian vision of the happy married worker, with a clean home, food on the table, and a stable wage packet (enforced through regular inspections), was ruptured by a combination of wildcats in the factories and welfare demands in the cities. This crisis in Keynesian planning did not emerge only because higher wages, in the purely quantitative sense, had lowered the rate of profit, but also because the entire political structure in which wages and profits were regulated was broken by these struggles. By demanding, on the one side, wage increases disconnected from productivity increases, and on the other, a wage for reproductive work, these struggles attacked the most essential methods of surplus labor accumulation.

In response, capital opted to undercut wages and welfare, and thus to decompose workers' power which was built on a relatively high level of wealth. The energy crisis was an essential component of the counterattack for it simultaneously enabled the creation of large pools of investment capital and the lowering of workers' wages. The account surpluses in Western banks corresponded to austerity for all workers, waged and unwaged, on an international level. [See "The Work/Energy Crisis and the Apocalypse," especially section B, C and D, for a full explanation of how and why energy price rises were used to attack working class struggles.]

The energy crisis of 1973-74 is customarily blamed upon OPEC; indeed, it was OPEC that raised the price it charged the oil companies for crude oil. The OPEC decision, however, came only after the assent of the Saudi Arabian government. Other OPEC countries had been demanding price rises for years but could not effect them because of Saudi opposition. Saudi Arabia, as the largest producer within OPEC, had (and has) virtual power to set short-term price levels unilaterally through decisions about its own production. Being dependent upon US political support, the Saudi government has always made its production and pricing decisions in collusion with US economic planners. The central Saudi bank (SAMA) is managed in coordination with the US Treasury Department. Up until 1980, the Saudi state oil company, Aramco, was run by a team of US oil

companies. After 1980, it was completely nationalized but is still managed in partnership with the same oil companies and much of its management is US and European.

The Saudi decision to back higher prices for crude oil in 1973 came only after the US government gave the Saudis the go ahead. The US government, in 1971, began telling Saudi Arabia, and OPEC as a whole, that the price of crude oil should increase.<sup>2</sup> The Yom Kippur War of 1973 is usually presented as the reason for the oil price rise: the Arab states supposedly wanted to punish the West for supporting Israel. But the war was largely immaterial to the motivations behind the price rise, just as the Arab oil embargo was immaterial to the mechanics of the rise. In fact, the Arab oil embargo was virtually non-existent and the flow of oil was at no point seriously disrupted.

The oil price rise was begun by OPEC, but the oil companies immediately raised their own prices on top of the new charges from the OPEC states. In fact, all energy companies – natural gas, coal, uranium (often one and the same) – raised their prices above and beyond the increase in oil prices. Energy sector capitalists reaped enormous profits from all these price increases. Much of the increased revenue gained by the Gulf states (Saudi Arabia and Kuwait in particular) ultimately returned to international banks and stock markets. This process, known as the recycling of petrodollars, involved enormous sums – hundreds of billions of dollars – and became essential to capitalist strategic planning thereafter. At the time, they represented the largest financial flows in the world. This new mass of investment capital allowed capitalists to intensify the automation and computerization of factories in North America, Europe and Japan. The strategy of accumulation that underlay the post-1973 oil price rise was to see how fast productivity could be increased and wages simultaneously decreased. [See “Post-Energy Crisis US Working Class Composition.”]

### **The Iranian Revolution**

While the rise in oil prices during the 1970s provided a brief refuge to world capital for some key problems, it also created new ones. By 1980, the business press was full of complaints over the form of the post-1973 economic growth in oil-producing states like Nigeria, Venezuela and Algeria. The economic planners of those countries had capitulated too easily to popular demands for higher wages and more government spending on social welfare. “The achievements [of oil-rich Arab countries during the 1970s] could have been accomplished at much less cost –

probably no more than half of what was actually spent. The savings and investments could have easily been twice or three times as large," wrote one analyst about the period.<sup>3</sup> While some of the increased revenues of the oil producing states had been recycled through the international financial system (petrodollars), much had been "squandered" and allowed to create the conditions for social revolutions.<sup>4</sup>

The most visible manifestation was contained in the example of the Iranian revolution, where the Iranian oil proletariat, less divided by an immigrant labor system, delivered the final and most substantial blow to the Shah's regime with the oil industry strike of October 1978-February 1979.<sup>5</sup> This strike, and the broader social revolution in Iran, revealed to capital the dangers of rapid and large increases in oil revenue in the Mideast and the other oil-producing states; that is, without sufficient control, the oil proletariat could capture a substantial portion of this wealth and topple even the most brutal dictators and regimes. *The painful lesson was that if the price of oil was to rise in the future, the societies of the oil-producing countries would have to be more strictly disciplined.*

Apart from exemplifying the dangers of a rapid rise in oil prices, the Iranian revolution had a direct impact on the methods of policing the oil-producing states. Iran had been the centerpiece of the US government's Mideast military strategy. The Shah's regime, supplied with billions of dollars from a host of arms producers, was intended to be the regional gendarme, the power used to bully other countries if they did not comply with oil production and pricing arrangements. The Shah was the cop to sabotage any nationalist and/or working class movements in the region. Iran's oil production – the second largest in OPEC – was set according to the US's production and pricing decisions, and the Shah demanded that every one else follow suit. When General Al Haig called the Iranian revolution "an unmitigated disaster," it was precisely because it ended Iran's back-up role to Saudi Arabia in the international oil market.<sup>6</sup>

When the Shah was forced to flee in 1979, the US government had no local power to rely upon. The Gulf states were reliable allies of course, but did not have the "manpower" (or cannon fodder) for large armies. The only solution was to construct an alternative military presence, part of which was stationing the US's own troops in the Gulf. The month after the Iranian revolution, the US government announced the plan for the formation of a 200,000-strong Rapid Deployment Force (RDF) that would be used specifically for Mideast combat. But, of course, the RDF would be useless without some place to land.

Thus, in the 1980s, the US government, in alliance with the Gulf states

and Egypt, constructed a network of military bases across the region, notably in Saudi Arabia. "There had only been two major non-oil docks in Saudi Arabia in 1980, each capable of unloading one ship at a time," noted one journalist. "By 1990, nine major ports could service dozens of ships simultaneously. The twelve bare-bones airfields of a decade earlier had doubled in number . . . sufficient to allow a constant influx of US planes filled with troops and equipment."<sup>7</sup> The cost of this huge investment in military infrastructure and hardware: \$200 billion over the past ten years, 85 percent covered by the Saudis. The systems were specifically designed for use in coordination with any future US military action in the Gulf.

### **The End of the High Oil Price Strategy**

As the Iranian revolution was in full progress in late 1978 and early 1979, oil prices underwent another dramatic increase. In fact, oil prices during this second "shock" of 1979 rose more than they did during the first one of 1973-74. Like the earlier rise, it was blamed on a disruption of oil supply in the Mideast, in this case the Iranian revolution. Again, the disruption was largely mythical and there was never a shortage of oil. Iranian oil workers did block shipments to South Africa (90 percent dependent on Iranian oil) and Israel (60 percent dependent), and their general strike did create a crisis in oil price decision making. But the hands behind the price rise were oil companies and commodity traders who collectively raised them.<sup>8</sup> This price rise, though, unlike the one six years previous, could not be sustained for more than a year. The price of crude oil leveled off after 1980, began falling after 1982, and underwent a severe drop in 1985-86 when Saudi Arabia doubled its production within nine months.

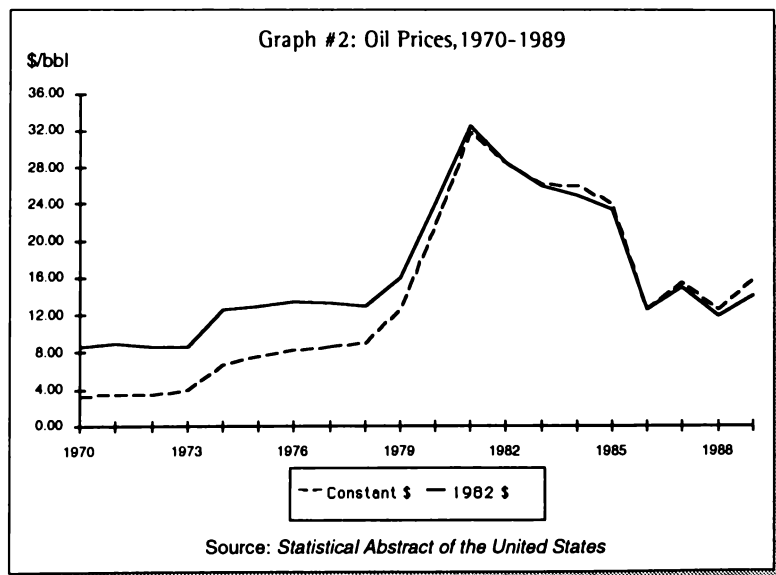
The second oil price shock, like the first in 1973-74, continued to enable international capital to overcome the wage/profits crisis of the late 1960s and early 1970s and assist the restructuring (or perestroika) of the worldwide industrial organization of work. Despite success in restoring profitability on a global level, capital's transitions were not smooth. In fact, planned high oil price levels for the 1980s were abandoned early and by 1986 the oil price (in "real" terms) was lower than its 1974 level. What caused the end of the high oil price strategy?

First, during the period of roughly 1973-81, the mechanism by which the increased oil revenues were recycled from oil producing countries into the international financial system was being threatened by social struggles of the oil-producing proletariat bordering the Caribbean (Trinidad, Ven-

ezeuela), the southern Mediterranean (Algeria, Libya), the southeastern Atlantic (Nigeria), and the Persian Gulf. The Iranian revolution was simply the tip of a workers' insurgency demanding that the oil revenues be used for the health and welfare of the proletariat producing the oil, and not for capitalists, be they shahs, sheiks or international bankers.

Second, in the wake of the final victory of Vietnam, Laos and Cambodia against the US military in 1975, seven more countries defeated US-backed regimes: Mozambique, Angola, Guinea-Bissau, 1975-6; Afghanistan, 1978; Nicaragua, 1979; Zimbabwe, 1979, and Grenada, 1979. The change in government in all of these countries was a product, to varying degrees, of mass-based revolutionary forces and threatened a new phase of anti-neo-colonialist struggle. Finally, there was an insurgency within the US and Europe on the terrain of energy pricing and production which marked the crossing of the coal and uranium workers, the anti-nuclear power movement, the nationwide truckers' strikes of 1974 and 1979 in the US, and the gasoline price rioters.

Though nuclear power has continued to increase its share of total energy consumption in the US during the 1980s, it was essentially ended in the late 1970s by the anti-nuke movement. Since that time, no nuclear plants have been commissioned. Nukes had been conceived as central to US capitalist development. Yet capital's inability to organize this devel-





opment path, along with its inability to prevent revenues in oil-producing nations from being “squandered” on the oil-producing proletariat as well as the continuing spread of anti-neo-colonial revolts, meant that the high oil-price strategy had reached its limits. It failed to establish stable conditions of accumulation in both the US and the oil-producing states. Thus, capital had to formulate a new strategy which could respond to this newest phase of crisis.

## **II. War and Austerity vs. the International Intifadah**

Known variously as “Reagonomics,” “Thatcherism” and “monetarism,” capital’s strategy for the 1980s was not based on oil price hikes as in the previous decade, but on using the debt of most of the world’s countries by imposing austerity programs, usually at the behest of the International Monetary Fund (IMF). Thus, in place of the energy crisis of the 1970s, the world of the 1980s was presented with the debt crisis. Debt and austerity were accompanied by a greater militarization of the planet, particularly through the US military’s practice of low-intensity warfare. Such a strategy was used for most of the decade, but the explosion of anti-austerity actions in various countries in the late 1980s, in the Mideast especially, was an important factor behind its demise.

### **Depression and Debt: 1979–1983**

The first recourse was to a global slowdown. The depression of 1980–83 was engineered quite consciously by the US Federal Reserve Bank when, in the fall of 1979, it contracted the money supply and induced a steep climb in interest rates (up to 21 percent in 1981). This allowed some time for capital to regroup and reorganize before any new cycle of investment would begin. The contraction of markets and production in the US, Europe and Japan furthered the job initiated by the energy crisis of cutting wages, busting unions, and increasing unemployment. For countries borrowing money from banks in the US, Europe and Japan, the high interest rates combined with a loss of export markets and the decline of primary commodity prices quickly increased their debt to astronomical proportions (e.g., Brazil, Mexico and Argentina).

The inability of many countries to pay back loans to Western banks threw them into the hands of the IMF, which provided new loans to pay back the old loans. As a condition for its loans, the IMF required that the receiving country implement an austerity program, i.e., a devaluation of the currency, drastic cutbacks on government spending and the public

sector, promotion of exports, and freer regulations for foreign capital. Between 1982-84, 66 Third World countries agreed to IMF-sponsored austerity programs.<sup>9</sup> These measures, ostensibly intended to restore the country's "balance of payments," represented a new political strategy for managing the relationship between Western capital and individual nation states and for decomposing the international working class. Thus, the debt crisis did not turn into any major danger for capital, indeed quite the opposite. It became a means whereby it gained greater control over national economies and greater ability to push through a restructuring of the international labor market. ["Audit of the Crisis" introduces this point and is developed in "The Debt Crisis, Africa and the New Enclosures" and "Introduction to the New Enclosures."]

The case of oil-producing Mexico is paradigmatic. The high oil prices of the 1970s allowed Mexican capital to finance both a high rate of industrial expansion and an intimidating level of police power over the working class. However, the combination of falling oil revenues and high interest rates in the early 1980s led quickly to virtual bankruptcy. The Mexican government declared a moratorium on further payments to foreign banks in August 1982, thus officially inaugurating the debt crisis. Immediately after declaring the moratorium, the government began negotiations with the IMF for loans and over the terms of the prescribed austerity program. Since its IMF agreement, the government has been attempting to lower the wage even further and end much of government spending for health and education. Simultaneously, it has encouraged the growth of the maquiladora section near the border with the US, where multinational corporations have set up thousands of factories. Throughout the 1980s, corporations closed-up shops in the US and moved just across the border. The debt crisis and the subsequent IMF austerity program were what enabled this decomposition of both the Mexican and US working class to occur.<sup>10</sup>

Even though global interest rates began falling after 1982, largely in response to Mexico's moratorium, the damage had been done. The debt of many countries had multiplied and been pushed far into the future. Mexico's debt, for example, was rescheduled so that payments of tens of millions of dollars to foreign banks were extended over the next 30 years. Thus, even with falling interest rates, the IMF was in a strong position to take control of many national economies. Western capital formed a solid block behind the IMF: if a country did not agree to an austerity plan it would be blacklisted from all commercial banking. Without the IMF plan, no bank would deal with the country. This was an effective boycott which

constrained many governments to accept stiff conditions of austerity.

But the US and the IMF could not press so hard that nationally-based capitalists, finding little profit and much dirty work, would be tempted to give up the ghost. Austerity measures were already encountering fierce resistance. Thus, Western capital retreated from further imposing higher levels of debt by devaluing the dollar by one-half in 1985.<sup>11</sup> This maneuver, in one stroke, lowered the value of the debt held by countries from Mexico to Poland by one-half. But this was no charity. If the lowering of interest rates in 1983 had been prompted by Mexico's moratorium, the dollar devaluation was prompted by South Africa's moratorium on payments of its debts to foreign banks in August 1985. The potential of South African capital to succumb to the Black workers' struggles within the country and to provoke other governments around the world to similarly halt loan payments was enough to force Western capital to change the terms of the global debt.

In this manipulation of monetary values we see capitalist planning at its most abstract and reified levels, where decisions seemingly removed from the labors on the shop floor or in the kitchen ultimately entail the most profound effects. One of the more important consequences of the dollar's devaluation, for example, was the simultaneous devaluation of oil. As the dollar was taking a free fall in the market, Saudi Arabia doubled its production within nine months and thereby halved the price of oil.<sup>12</sup> The US government arranged this oil devaluation to keep the US import bill from skyrocketing. With a dollar half of what it was worth before, imports, particularly oil, would have doubled in cost. The US was already becoming the largest debtor nation in the world and there was the fear that the dollar devaluation, if taken alone, would have thrown the US over the edge of solvency. These twin maneuvers of 1985-86 – the dollar and oil devaluations – exhibit how the international market is consciously structured by capital. [See "Rambo on the Barbary Shore."]

The effect of the oil devaluation was to bankrupt the countries whose economies were based on oil. Oil prices had been falling ever since 1981 but the swift and steep drop in 1985-86 threw nearly every oil-producing state in crisis. The onset of perestroika in the USSR dovetailed precisely with this precipitous drop. Other oil-rich states, like Venezuela, Nigeria, and Algeria, that had been capital's prodigal sons during the 1970s, were forced onto an IMF-directed regimen of austerity. All had ambitious plans for capital accumulation during the 1970s, but in the 1980s their revenue from oil exports fell lower than their debt to foreign banks. While the decline in revenue hit state treasuries and workers hard, cabinet ministers

and economic planners actually welcomed the move. "It should force an overdue streamlining and introduce some rationality in managing society and its resources," said one commentator.<sup>13</sup> In addition, the nationalization of the oil fields and oil industry, in most cases accomplished only 15-20 years prior, was quickly subverted, much to the satisfaction of multinational oil companies: "The low oil prices that prevailed throughout the 1980s have unmasked the nationalistic claim of virtually all oil-producing nations that they could develop oil resources efficiently on their own."<sup>14</sup>

The nations that exported laboring men to the oil states were also hard hit in the 1980s. Egypt, Jordan, the Israeli-occupied territories of the West Bank and Gaza Strip, India and Pakistan were the worst effected. Workers' remittances had been a key strategy of the economic planning in many countries from the Mideast to Southeast Asia. Once the remittances fell, their national budgets fell deeper into the red. This made them even more susceptible to IMF plans for austerity. Throughout Africa, Eastern Europe, Latin America and Asia, governments based on the oil economy were forced to accept austerity regimes in order to "pay back" the debt they and their ruling classes had accumulated in the 1970s. These austerity regimes, in effect, ended the form of the state socialism that was prevalent in the aftermath of anti-colonial revolts.

### Low Intensity Warfare and High Intensity Death

Every loan shark has an enforcer and the IMF is no exception. If capital was to impose the debt crisis and austerity programs in the 1980s there had to be some means of coercion to enforce these conditions on both national governments and the working class. Interest rates and oil prices can be moved up and down, but the world is not an economic robot that automatically translates these movements into greater profits for Western banks and corporations. In the case of commodity transactions, non-payment means a halt in the delivery of the commodity – that is an enforcer in such situations. Thus with the energy crisis, every country was forced to accept higher prices or simply do without the oil. But in the case of loans, there is not necessarily an immediate decrease in the borrowing country's consumption if it decides not to make the loan payments; in fact there may even be an increase in consumption.<sup>15</sup> Consequently, the states behind the IMF and World Bank (e.g., the US, Japan, Europe), had to find a method to enforce the repayment of loans. Low intensity warfare, a relatively cheap and chronic form of warfare, became the cudgel that was used to threaten debtor countries. Neither a one-time bombing run nor a

mass assault, low-intensity warfare matched the timing and severity required for inducing ongoing loan payments.

During the 1980s, military budgets throughout the world soared, with the US, in its role as the world's cop, leading the way. Though US military spending had steadily declined after a high of \$324 billion in 1968 to a low of \$203 billion in 1976 (in 1990 dollars), it began to climb back up after 1978 so that yearly increases brought it back to \$320 billion by 1987.<sup>16</sup> During the 1980s, US military spending increased over a third.

The Pentagon's organizational tactics changed along with the rest of industrial production in the aftermath of the riots, strikes and protests which ended the Keynesian deal. The Pentagon began following the low wage/high automation strategy which defined capitalist strategy as a whole. The assembly line soldiering of the Vietnam War was junked like all the factories of America's rust belt. The new strategy of low-intensity warfare combined guerrilla tactics with various levels of sophisticated killing machines. The debate in Washington was always over how much capital these cheap guerrillas could be trusted with, e.g., the debate over giving Stinger missiles to the Afghan mujahedin. The military was simultaneously pushing the limits of both capital-intensive weaponry and slave labor soldiering and then experimenting with how far both could be directly combined. Thus, in the 1980s the US military combined staggering amounts of investment in fixed capital (nuclear weapons, submarines, star wars research, etc.) with cheap Third World mercenaries (the Afghan mujahedin, the Nicaraguan contras, the Angolan UNITA troops, the Cambodian Khmer Rouge, the Mozambican Renamo troops). [See "Rambo on the Barbary Shore."]

The strategy earned the tag of "the Reagan Doctrine," revealing the centrality of low-intensity warfare to the policies of austerity. War was essential in both undermining national anti-neo-colonial revolutions, e.g., "communism," and in enforcing the austerity strategy internationally. A cursory look at some of the recipients of these policies, resulting in millions of deaths, makes for a salutary reminder as to the scope and brutality of the strategy. In Africa – Libya, Chad, Somalia, Angola, Mozambique and Namibia; in Asia and the Middle East – Afghanistan and Cambodia; in Central America – El Salvador, Guatemala and Nicaragua. The lesson of these US military interventions was clear: no one could escape the twin imperatives of international capital in the 1980s, debt and austerity, without brutal and incessant warfare. The importance of the contras in Nicaragua, for example, was not just for the sake of Nicaragua itself but for all Latin American countries that would defy capital's rules

(even slightly as in Nicaragua's case).

On top of low-intensity warfare, the Pentagon retained more "conventional" practices: the support for Israel's mass invasion of Lebanon in 1982, counter-insurgency in the Philippines throughout the 1980s, the shelling of Beirut in 1983, the invasion of Grenada in 1983, the bombing of Libya in 1986, the Persian Gulf occupation and attacks on Iran in 1987, and the invasion of Panama in 1989-90. These reinforced the same pedagogy as the low-intensity warfare doctrine and laid the groundwork for reintroducing US troops on a mass level in international enforcement of debt and austerity – the culmination of which most recently was the war on Iraq.

### The Iran-Iraq War

Let us look at the largest war of the 1980s and one central to our story of oil and the 1991 Gulf War: the Iran-Iraq War. This began in 1980 when Iraq invaded Iran. It lasted eight years and resulted in no change in the borders nor any concessions from either side. In one sense both sides lost. But then again, both sides won. The power of the Iraqi and Iranian working class was virtually destroyed by the war. After eight years both countries had gained millions of widows, amputees, paupers, sadists and corpses. Not just Iranians and Iraqis were affected; during the war nearly two million migrant workers lived in Iraq. The war, combined with the police state in both Iran and Iraq, made working conditions in the two countries as militarized as the coca fields of South America.

In the wake of the Iranian revolution, the terrorization of the Mideast was a necessary maneuver for the oil monarchies in the Gulf who saw the revolution as a threat to their very survival. Thus Iraq, backed by the Gulf monarchies, began the war with an invasion of Iran in September 1980 in order to defeat the revolution, or, more precisely, revolutions. Both Khomeini's brand of pan-Shi'i politics and the Iranian leftist tendencies presented a threat to the Gulf states even though the two forces were opposed to one another within Iran. The invasion of Iran had a dual effect. It helped to limit Khomeini's influence internationally, while it helped him consolidate his dictatorship internally. Opposition to Khomeini was finally routed in June 1981 with country-wide massacres and arrests.<sup>17</sup> The invasion also helped Saddam Hussein and the Iraqi Ba'thists to consolidate their own dictatorship. There was a kind of unity of purpose between Khomeini and Hussein in continuing the war. Hussein had just assumed the title of president the year before and the environment of war allowed for the further development of a police state.

Iraq was financed by Saudi Arabia and Kuwait to the tune of \$50-60 billion during the eight-year-long war. OECD states chipped in an additional \$14-15 billion, commercial banks around \$9 billion and the Soviet Union \$10 billion.<sup>18</sup> Iraq became the one of the world's largest arms purchasers and its principal arms suppliers were the USSR (53 percent of sales) and France (20 percent). For the US and the Gulf states, the goal of the war was to cancel out both Iran and Iraq as independent regional powers. As Henry Kissinger advised, "The ultimate American interest in the war [is] that both sides should lose." But the US did maintain a tilt towards Iraq, particularly after 1982 when Iran turned the tables and marched into Iraq. US officials stated that while neither side should win, an Iranian victory would be the worst scenario of all.<sup>19</sup> This analysis was shared by the ruling classes of Europe and Japan, for they too had an interest in re-engineering the class relations in the Mideast through warfare.

As long as oil production and shipping around the Gulf states was not significantly hampered, the US government had no need to send its troops. But oil shipping was disrupted in 1987. Iraq was losing the war and had begun bombing tankers; Iran replied in kind. In what was to prove a dry run of the war against Iraq some three years later, the US military led a force into the Persian Gulf to intervene on Iraq's behalf. The US Navy shot down an Iranian passenger jet killing nearly three hundred people and also attacked Iranian oil platforms in the Gulf killing another 200 people. The message to Iran was clear: if it did not end the war with Iraq, the US would send in the bombs. Iran got the message and decided to conclude the war; the two sides agreed to a UN-sponsored cease-fire in 1988.

### **The International Intifadah**

In the 1980s, anti-austerity and anti-IMF rebellions became a regular part of the international class struggle, with the latter half of the decade witnessing the most severe cycle of this form of struggle. Strikes, riots and demonstrations confronted the regimes that sought to raise prices, lower wages, cut social services or lay-off workers. These struggles often revolved around energy pricing and production, where the IMF has paid particular attention. As such, oil producing regions in Africa, Latin America and the Middle East, such as Algeria, Jordan, Gabon, Nigeria, Morocco, Trinidad and Venezuela, which had all endured steep drops in the standard of living, were hit hard by anti-austerity riots from 1988-90. These were popular insurrections which had profound effects on their respective governments. In all of these countries, the ruling regime that

attempted to impose the IMF program was forced to make concessions or was threatened with an army coup. In most cases, these countries were in the process denationalizing and privatizing their respective oil industries and allowing the renewed penetration of foreign capital. Within the Middle East, all of the insurrections were directly inspired by the Palestinian intifadah which started in December 1987. Even though the Palestinian intifadah began as a struggle against a particularly vicious form of settler-colonialism and national socialism (Zionism), its spirit of resistance was adopted by others fighting financial colonization by the IMF.

First came Algeria in October 1988, when thousands took to the streets in response to President Benjedid's proclamation of more price hikes. Over the course of the previous eight years the government had been firing thousands of workers. The unemployment rate for people in their twenties was 50 percent. At the time, meat was selling for around \$10 a pound, twice the price the year before, while the average wage hovered around \$250 a month. Algeria's exports consisted entirely of oil and gas (98 percent of total exports); once the price of oil fell, the state went bankrupt. Out of \$8 billion in export earnings, \$5 billion was being sent to Western banks to service the debt.

The frustration of seeing rich Algerians sell the country to foreign banks while the poor struggled to survive finally exploded in 1988. Airline, communication, industrial and postal workers went on strike in September and October to prevent further retrenchments. Then, when a new austerity program came, hundreds of thousands of people, particularly the youth, went out across all the major cities and towns of Algeria, attacking government buildings and looting stores (the Ministry of Commerce and Ministry of Youth and Sports, for instance, were set on fire). The government responded with bullets, killing about 300 people and wounding another 1,000. The military arrested about 3,000. One reporter noted that, "many young people said they had been inspired by the Palestinian uprisings in Israeli-occupied territories."<sup>20</sup> President Benjedid was forced to make some concessions and to open up the government. In June 1990 elections were held in which some parties opposed to IMF deals and social inequality gained a large number of seats. The most notable beneficiaries were the "Islamic fundamentalists," who reaped the benefits of anti-austerity sentiments.

The increase in the price of oil in the latter half of 1990 produced an extra \$1 billion in revenues for the Algerian state. But, like other oil-producing states who shared the "windfall," the government announced



that three-quarters would go to service the debt. Opposition to austerity continued and a general strike hit the government in March 1991. As has been the case throughout post-independence Algeria, the army lay behind the government's policies, and finally launched a coup in early 1992.

After Algeria, came Venezuela, a major exporter of oil to the US. In February 1989, the President announced an austerity package in order to secure an IMF loan. As in other oil-producing states, the Venezuelan government was planning massive new investment in the oil industry, reportedly in the region of \$48 billion, and, for the first time since nationalization in 1976, the government was opening up the oil fields to foreign companies. At the time of President Pérez's announcement, Venezuela's foreign debt was around \$33 billion, and Chase Manhattan, heading the advisory committee representing Venezuela's foreign creditor banks, wanted action, i.e., austerity. Real wages had already dropped by at least 40 percent over the previous six years. On top of that, the prices of basic commodities like coffee and flour were rising. A 30 percent hike in transportation and fuel prices sparked the uprising which spread throughout the country, from Caracas to Maracaibo and San Cristobal. The police and army were sent in to quell the populace, killing hundreds and perhaps as many as a thousand people.<sup>21</sup> As in Algeria, rumblings of a military coup swirled in the mass media. The "Caracazo," as the rebellion came to be known, was followed by yet more protests, and a military coup eventually followed in February 1992. Though the coup ultimately failed, the military officers justified their actions by claiming that they sought to end corruption, prevent the privatization and sale of sectors of the oil industry to foreign companies, and stop government austerity measures.<sup>22</sup>

Two months after the Venezuelan riots, Jordan tried to implement an IMF-ordered austerity program. The result was predictable: riots. As one man said at the barricades, "This is our intifadah." Again government buildings were attacked. People were particularly angered over the increase in the price of oil which, as they could see with the oil fields all around them, need not be that expensive. After killing 11 people, the monarch of Jordan agreed to some political reforms in his martial law regime. As in Algeria, an election in 1990 brought more "Islamic fundamentalists" to power. While publicly expressing the economic frustrations of the people, and thus gaining some popular support, the Islamicists were used by King Hussein to block left-wing parties.<sup>23</sup>

From the shores of the Dead Sea to the sunny Caribbean, the story line was basically the same. In late July 1990, a 100-member Islamic group seized the top officials of the Trinidadian government and demanded an

end to its harsh economic policies. The group's leader, Abu Bakr, called for a more representative government to be formed. Most Trinidadians were not fully behind Abu Bakr. Nonetheless, they understood the reasons for his action and took advantage of the government being tied up (literally) by looting the shops. The Oilfields Workers' Trade Union stated that the coup was a product of the increasing level of violence and poverty in the country. The Union expressed a similar sense of ethics as Abu Bakr, "No society which is tied hand and foot to IMF/World Bank Structural Adjustment will be a just society."<sup>24</sup>

The revolts then headed across the Atlantic. As the Pentagon was casting murderous clouds of war over the Gulf, one of its coalition partners, the monarchy of Morocco, was rocked by IMF riots. As in 1981 and 1984, the Moroccans went to the streets to attack the banks, limousines and government offices. One five star hotel was burnt to the ground (but not before the TVs were taken). The riots of December 1990 coincided with a general strike of the two major trade union confederations, demanding, among other things, a doubling of the minimum wage. As in Trinidad, the trade unions did not start the riots but sympathized with the anti-austerity demands of the rock throwers and looters. The spirit of the intifadah whirled through the ancient alleyways of Fez.<sup>25</sup>

By the late 1980s, the decade of deep austerity and widespread war was being met by this international intifadah. But as the wave of insurgency was surging across the planet, capital was planning oil price increases and a restructuring of the oil industry, particularly in the "low-cost" (high profit) regions such as the Gulf. For this to succeed, there would have to be a quantum leap in repression to thwart the possibility of revolutionary explosions similar to those of the late 1970s and '80s. Oil prices could not just be automatically hiked up, massive new investment programs begun, and the oil proletariat reorganized. There were already mass uprisings throughout the Mideast and any attempt to act against the interests of the oil-producing proletariat (both the waged and unwaged) would have meant an even more serious and widespread insurrection in a most vital branch of production. The only solution for capital was to establish the preconditions of uncompromising terror before launching any major changes in the oil industry. What we are witnessing in the Mideast is a familiar pattern under capitalism: the forcible *and violent decomposition of the working class*.

## Notes

<sup>1</sup> *World Motor Vehicle Data 1990*, p. 11.

<sup>2</sup> The U.S. role in pushing up the oil price has been well documented. See V.H. Oppenheim, "Why Oil Prices Go Up: The Past, We Pushed Them," *Foreign Policy* 25, Winter 1976; and Pierre Terzian, *OPEC: The Inside Story* (London: Zed Press, 1985).

<sup>3</sup> Abdel Majid Farid and Hussein Sirriyeh, eds., *The Decline of Arab Oil Revenues* (London: Croom Helm, 1986), p. 103.

<sup>4</sup> See Jahangir Amuzegar, "Oil Wealth: A Very Mixed Blessing," *Foreign Affairs*, Spring 1982.

<sup>5</sup> Terisa Turner, "Iranian Oilworkers in the 1978-79 Revolution," in T. Turner and P. Nore, eds., *Oil and Class Struggle* (London: Zed Press, 1980).

<sup>6</sup> Introduction by Alexander Haig, *Oil Diplomacy: The Atlantic Nations in the Oil Crisis of 1978-79* (Philadelphia: Foreign Policy Research, 1980), p. xi.

<sup>7</sup> "Eye of the Storm," *Mother Jones*, Nov/Dec 1991.

<sup>8</sup> See Terzian (1985). On Iranian oil workers see Nore and Turner pp.272-301.

<sup>9</sup> Tatjana Chahoud, "The Changing Roles of the IMF and the World Bank," in *The Poverty of Nations*, E. Altvater, et al, eds., (London: Zed Press, 1991).

<sup>10</sup> This recomposition can be seen clearly in the case of General Motors which, according to a United Auto Workers report, is the largest private sector manufacturer in Mexico. GM plans to fire 74,000 U.S. workers (according to a December 1991 announcement), even while it plans on increasing the number of its workers in Mexico. At present, it employs 43,000 workers in 38 plants just south of the border; two more plants are under construction. The workers remaining in the U.S. are being blackmailed into accepting increased hours of work and lower wages.

<sup>11</sup> On 22 September 1985, the finance ministers and central bankers of the U.S., West Germany, England, France and Japan met in New York City's Plaza Hotel and decided to push the dollar down.

<sup>12</sup> Saudi Arabia began to increase production and offer discounts of two and a half dollars per barrel in September 1985, precisely when the dollar began to be devalued.

<sup>13</sup> Abdel Majid Farid and Hussein Sirriyeh, p. 103.

<sup>14</sup> Edward Morse, "The Coming Oil Revolution," *Foreign Affairs* (Winter 1990), p. 40.

<sup>15</sup> This reality has been a continual problem for creditor's. See Benjamin Cohen, "A Global Chapter 11," *Foreign Policy*, Summer 1989.

<sup>16</sup> William Kaufmann, *Glasnost, Perestroika and U.S. Defense Spending* (Washington, D.C.: The Brookings Institute, 1990), p. 55.

<sup>17</sup> On the Iranian left movement see Ervand Abrahamian, *The Iranian Mojahedin* (New Haven: Yale University Press, 1989).

<sup>18</sup> Marion Farouk-Sluglett and Peter Sluglett, "Iraq Since 1986: The Strengthening of Saddam," *Middle East Report*, November-December 1990.

<sup>19</sup> Abbas Alnasrawi, "U.S. Foreign Policy in the Middle East," *Arab Studies Quarterly*, Winter 1989.

<sup>20</sup> On the Algerian riots: *New York Times*, 10 and 12 October 1988; *The Economist*, 15 October 1988.

<sup>21</sup> On Venezuelan riots: *New York Times*, 28 and 29 February 1989; *The Economist*, 11 March 1989.

<sup>22</sup> Like elsewhere in Latin America, austerity has hit middle-ranking military officers hard, prompting discontent.

<sup>23</sup> On the Jordanian riots: *New York Times*, 21 April 1989; *The Economist*, 31 March 1990. On Jordan's election: Philip Robins, "Jordan's New Election: A New Era?," *Middle East Report*, May-August 1990, and Stephen Hubbell, "Jordan Votes the Islamic Ticket," *The Nation*, 25 December 1989.

<sup>24</sup> Statement by the Oilfields Workers' Trade Union on the Events of July 27th-August 1st 1990. Also see Chris Searle, "The Muslimeen Insurrection in Trinidad," *Race and Class*, Oct.-Dec. 1991.

<sup>25</sup> On the Moroccan riots: *New York Times*, 17 and 18 December 1990.

## 2

### TO SAUDI WITH LOVE: WORKING CLASS COMPOSITION IN THE MIDEAST

*Midnight Notes Collective*

*"The mercy of God be upon you, Ustaz Selim. If you had lived, if you had been drowned by poverty as I have, I wonder if you would have done what I am doing now? Would you have been willing to carry all your years on your shoulders and flee across the desert to Kuwait to find a crust of bread?"*

– Ghassan Kanafani, *Men in the Sun* (1956)

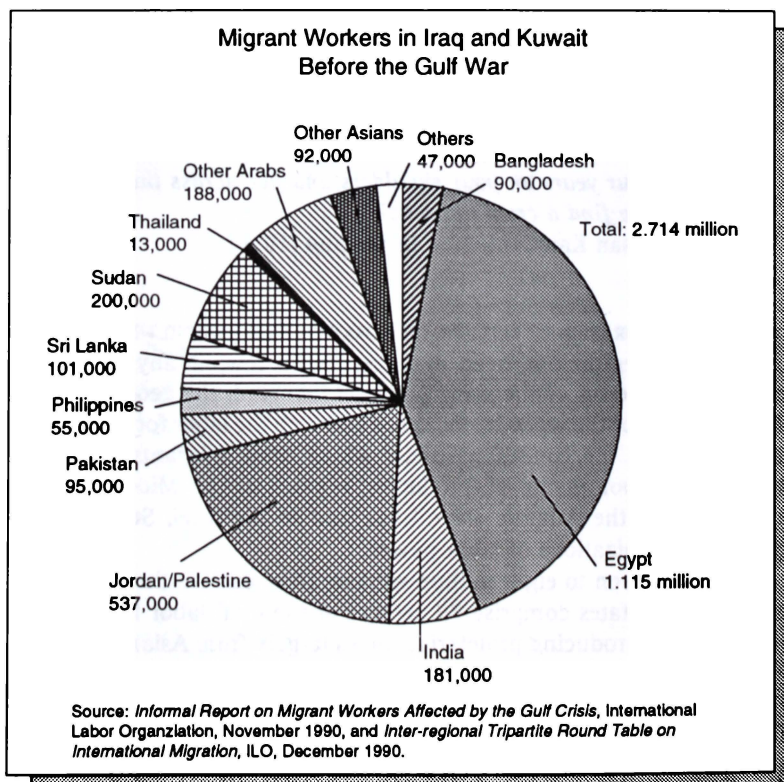
THE MASS MIGRATION OF MILLIONS OF WORKERS FROM AROUND THE PLANET TO the Gulf region has been a process with few, if any, historical precedents. In terms of the sheer numbers involved, the geographically diverse origins of the workers, the speed at which the labor force has been assembled, and the conditions under which these migrants work, the structure of labor in the oil-producing regions of the Mideast stands comparable to the Atlantic slave trade and to the Nazi, Stalinist and apartheid organizations of labor power.

Roughly seven to eight million workers from outside the immediate oil-producing states comprise 75 percent of the total labor force in the Gulf.<sup>1</sup> This oil-producing proletariat comes largely from Asian countries, primarily Bangladesh, India, Pakistan, the Philippines and Sri Lanka, and African and Arabic countries such as Egypt, Sudan, Syria and Yemen. Ninety percent of the labor force of the United Arab Emirates, for instance, is composed of non-nationals, the bulk from India, Pakistan and Iran. And

in pre-war Kuwait, non-nationals comprised more than 80 percent of the labor force. In large part, these workers are young men from rural areas, who come to the Gulf in search of higher wages and to escape poverty and repression in their own countries. But unlike so many others who have taken that path, these workers will not settle. They are temporary expedients. They have a single function: work.

### Workers of the World

Straddling the continental divide between Africa and Asia, the Arabian peninsula has a long history of migration. But it was only through British colonial efforts in the 19th century that the region was drawn fully into the fold of the international division of labor. From the Indian merchants in Bahrain trading, among other things, hashish and opium, to



the seasonal treks of pearl divers along the Gulf coast, the colonial legacy and the vagaries of the world market have consistently shaped the patterns of migration in and to the region.<sup>2</sup>

The development of the Arab oil industry in the 1930s initiated a new era in the history of migration in the Gulf. The immediate problem facing American and British oil companies was a shortage of labor. The region suffered both from a relatively small indigenous population, and a refusal of some to abandon their ways of life and work in the oil industry. The sheer number of workers needed in the burgeoning oil industry (as well as ancillary industries) combined with the strategic importance of petroleum, elevated the question of migration to one of fundamental political and economic importance. The basic question facing oil companies then, as it is now, was how to successfully mix and match an oil proletariat in order to prevent political explosions. While many of the early workers were drawn from up and down the Gulf coast, laborers were also brought from India usually by British companies.

The dangers of being reliant on a predominantly non-indigenous mass labor force, and the political necessity to develop a heterogeneous proletariat, were apparent in the early decisions of oil companies and local rulers. Limits were placed on who, and where, people could work. The British Political Agent in Kuwait in the 1930s was required to issue "no objection" certificates to migrant workers. Similarly, when the Bahrain Petroleum Company sought to hire workers from southern Persia in 1944, the British Political Agent, fearing political claims on the island, wrote to the company, "Any measures which will be likely to increase the permanent Persian population of Bahrain would be regarded with strong disfavor by the Bahrain Government for political and other reasons."<sup>3</sup> Workers' struggles at the point of production also affected the formation of labor policy. A strike in 1943 by Indian workers at the Ras Tanura refinery in Saudi Arabia compelled the Arabian American Oil Company (Aramco) into using Italian prisoners of war as slave labor. Strikes in 1938, 1947 and 1953, and strikes in Dhahran, Saudi Arabia, in 1956, prompted oil companies into imposing draconian labor laws including the banning of strikes.<sup>4</sup>

Following the independence of India in 1947, and the formation of the state of Israel in 1948, the oil companies shifted to using a predominantly Arab labor force in the oil industry. Many came in search of relatively well-paying jobs, while others, such as Palestinians, arrived fleeing from war or expulsion from their homes. Though presented with the usual brutalities and indignities of migration, it was relatively simple for Arabs

to find work in the Gulf: communication was easy, there were religious similarities, and many were able to use informal networks to find work and accommodation. Jobs were commonly taken up in the expanding government apparatus, or in schools and hospitals, where language and cultural similarities facilitated work. By 1975, more than one quarter of the labor force of Jordan, Oman and Yemen were working in the Gulf, often as a result of direct state-to-state labor contracts.<sup>5</sup>

The leap in oil prices and the expansion in the oil industry in the early 1970s marked a turning point in Gulf labor policy. The size and diversity of the oil labor market underwent a tremendous explosion, with most major oil-producing states turning to the fresh pools of multinational labor power around the planet to staff their respective industries. Nigeria, Libya, and Venezuela, for instance, relied on Ghanaian, Egyptian and Colombian workers. In the Gulf states, migrant labor doubled from around 660,000 to 1,250,000 between 1970 and 1975. By the early 1980s, that number soared to at least six million. Among the workers were roughly 2.3 million Pakistanis, two million Indians and over one million Egyptians. The bulk of the remainder was provided by Yemenis, Jordanians, Palestinians, Filipinos, Turks, Bangladeshis, Thais and Koreans.<sup>6</sup>

The logic of the international division of labor is such that as workers in one country are forced to migrate and service the princes and oil companies of the Gulf, so they are replaced by other workers of the world. "One extraordinary phenomenon dominates the whole Yemeni economy," said the *Financial Times* about the Yemen Arab Republic in 1984, "roughly half of the working population lives in Saudi Arabia." This dissipation of Yemeni labor was partially ameliorated by Chinese road laborers, Egyptian teachers and Filipino and Pakistani hotel staff. In Jordan, a 1988 government study estimated that 40 percent of all Jordanian workers were employed outside the country and of the remaining work force approximately 25 percent was made up of workers from outside the country.<sup>7</sup>

### Dealers in Human Cargo

Given the nature of the migration to the Gulf states, the methods of recruiting these workers are both complex and extensive. Workers are usually brought in by state-owned agencies in the "sending" countries or by private "manpower" companies. Typically, they receive contracts from corporations doing business in the Gulf or directly from a Gulf state, and, in turn, they may sub-contract out to merchants who ply their trade in the villages and slums of South and East Asia. In Bangladesh, workers call these merchants "Adam Bepari" — dealers in human cargo. By 1980 in Sri



Lanka, there were over 500 such agencies operating, and there as many as 1,000 were operating in the Philippines by 1982. According to one study, a small agency placing 1,000 people a year could profit \$150-\$200 a person – an annual profit of \$150,000-\$200,000.<sup>8</sup>

The contractors charge exorbitant fees to prospective workers, fees that can take years to pay off. An Indian laborer expecting to earn \$175 a month base salary in the Gulf might commonly pay an agent's fee of around \$1,500-\$2,000.<sup>9</sup> Assuming the worker needs \$60 to live on and \$60 to send back home, that would leave \$60 a month left to pay off the fee, a process that could take three years. Hence, workers are compelled to put in overtime and are much less likely to cause trouble as the need to recontract becomes paramount. Fraud, extortion, forgeries and workers paying fees but ending up stranded are such common occurrences that governments are often forced to intervene.

On their arrival in the Gulf, workers often find that the terms of their employment have changed, a practice known as contract substitution. Longer hours and lower wages are the usual result. One pipe fitter from Kerala, where about half the estimated two million Indians working in the Gulf come from, paid an agent's fee of \$1,500 and incurred an additional \$500 in personal expenses for a job earning \$350 a month for an eight-hour day. On arrival in the Gulf he found that the job had changed – \$262 per month for a ten-hour day. "We Indians are gambling when we come to work in the Mideast," he ruefully noted.<sup>10</sup>

Unofficial migration is another significant characteristic of the labor market in the Gulf.<sup>11</sup> Many arrive via the Hajj, the annual pilgrimage to Mecca and Medina. (A tactic once favored by Syrian and Sudanese workers in the 1970s who sought to escape regulations in their own countries that defined who could and could not work in the Gulf.) Others arrive via land routes through the large Saudi Arabian border or by dhows, the single-masted Arabian Sea ships. One estimate put the number of "illegal" migrants in Kuwait at one out of every eight workers. In Saudi Arabia, where the size of this unofficial labor force is considered much greater than in Kuwait, many find work in large cities like Riyadh where it is easier to move around without getting caught. In 1978 when the government declared an amnesty in order to regain more control over the unofficial labor market, some 100,000 people took advantage of the offer.<sup>12</sup>

Not surprisingly, a flourishing trade in illegal documents is common throughout the Middle East and Asia. An exit/reentry visa for Saudi Arabia fetched \$800 in Pakistan in the mid-1980s and a Saudi resident's

permit could be bought for \$800.<sup>13</sup> Once in the Gulf, illegal migrants can find work via agents who deal specifically with illegal workers, often placing them with small, cost-cutting contractors. The size and significance of this parallel labor market is suggested by one study that put the number of Pakistani nationals working in the Gulf without proper papers at 500,000. As is typically the case for "unofficial" workers, the level of exploitation and the conditions of work are far more severe than those in the official sector.

### Indentured Servitude

As the US troops found, the conditions of work in the Gulf are indeed wretched. For a start, the work of directly producing oil is extremely dangerous. Heavy machinery, hazardous chemicals, the risk of fire and blowouts, combined with the negligence of oil companies and governments, mean death and mutilations are everyday occurrences.<sup>14</sup> [On life and work in the oil industry, see J. Ihonvbere, "Resistance and Hidden Forms of Protest Amongst the Petroleum Proletariat in Nigeria," S. Federici, "Development and Underdevelopment in Nigeria," and E. Emory, "Some Photographs I Was Not Able to Take."]

The immense armies of laborers brought into the Gulf are usually on short contracts and face long hours at low pay. As migrants, they have few legal rights. They must be sponsored by a local employer and cannot legally organize trade unions, own property, switch jobs, stay in the country without working or leave without the permission of their boss. Indeed, passports are usually taken away upon employment. Medical care is often poor or non-existent, wages are commonly withheld, and benefits, such as free passage home or annual leave, are frequently blocked. If workers protest, they can be easily arrested, jailed, ill-treated and repatriated. In one case, the government of Oman arrested 2,500 Indian workers and marched them through the streets because they had demanded the wages and benefits they had agreed upon before their arrival.<sup>15</sup> Even before departure from their home countries, workers must provide a police statement verifying their "good character" and endure a medical examination. Though it varies from country to country, workers must be between 18 and 40-years-old and in good health. The conditions are such that even the *Financial Times* characterized the labor system in the Gulf as indentured servitude.

If not renting from private landlords, paying 60 percent of their income on rent, workers often end up in labor camps.<sup>16</sup> Aramco Construction Camps (ACCs) in Saudi Arabia, for example, range from the

major fully serviced townships for upper level management (complete with schools, hospitals and recreational facilities for themselves and their families), to those for workers, typically 36-man dorms with a common toilet facility in the middle. These workers' ACCs may have a cafeteria, a laundry service, a movie theater and a weight lifting room, facilities common to integrated work environments found in the oil industry such as on oil rigs. The camps are wrapped by barbed wire and security.

Contractor camps are much worse and more common. Corrugated metal shacks, mobile trailers, cabins, tents or mud huts provide the accommodation units. Fans, linens and blankets are scarce, as well as proper toilets and sanitation facilities. As for space, one Indian worker noted, "If we all stood up to dress at the same time, there wouldn't be enough room." (As the saying goes, "The room was so small I had to go out to change my mind.") There are few, if any, recreational facilities and workers may have to organize the mess after long days of work. The London-based Minority Rights Group noted that the "best" construction camp conditions were found in those run by South Korean companies; regulations stipulated that no more than 16 workers could live in one room and that a bathhouse must be provided for every 500 workers.<sup>17</sup>

Many work seven days a week, 10-16 hours a day, for extended periods of time with only one day off a month for shopping and laundry. Most migrants do not get any social security and regularly complain of harassment, torture, assaults and long hours of work with few, if any, holidays. In Saudi Arabia, mobility is tightly controlled with both resident and work permits essential for travel.<sup>18</sup> A recent *Financial Times* article quoted Luis, a Filipino truck driver in Saudi Arabia, who supports 10 members of his family in Manila. "I work 12-hour days and then I go home to a room that I share with nine Filipino men," he told the reporter. Luis tells the story of a friend who brought his wife to Saudi Arabia. "She came under her maiden name," he explained. "They have to live in separate compounds. They cannot be together. They cannot sleep together. All they can do is meet for lunch in a cafe."<sup>19</sup>

The principle of equal pay for equal work is non-existent in the Gulf. Wages are pegged to levels in the migrant's country of origin, leading to a three-tiered system of wages – Europeans and Americans at the top, Arabs, and then Asians. Among Asians, Sri Lankans and Bangladeshis share the lowest pay scale, followed by Indians, Pakistanis, Thais, Filipinos and Koreans at the high end of wage levels. An average Bangladeshi unskilled production worker in the Gulf in the mid-1980s would have earned \$184 per month while his Pakistani counterpart would get \$243 a

month for the same work.<sup>20</sup>

The division of labor along migrants' national origins is also well tuned. It is rare to find a Filipino time-keeper, for example, supervising a Filipino work crew. This pitting of one nationality against another, combined with wage levels being set according to a migrant's country of origin, creates a material distinction between workers along national lines. Indians are known as the ABCs of the Gulf – ayahs (maids), barbers and cooks; Pakistanis, Sri Lankans and Bangladeshis make up the bulk of unskilled and semi-skilled workers; Filipinos tend to work in the production process, as transport operators or in the service sector; Thais are often unskilled laborers; and Koreans are almost exclusively brought in by Korean construction companies, who offer a fully integrated service in the Gulf region. In addition, workers from one particular country may be heavily concentrated in one or two of the Gulf states. The reasons vary, but usually have a colonial or imperial legacy. Thai workers, for example, heavily concentrated in Saudi Arabia, were originally recruited by US construction companies that had been based in Thailand during the Vietnam War.

The police and army that maintain all these barriers and restrictions are themselves divided into many different sections. Most of the Gulf states have recruited Pakistani policemen and soldiers to play off their own nationally recruited forces. Private security forces, composed for example of Nepalese Gurkhas, are also hired to patrol anything from docks to refineries. The level of policing in the Gulf states is, not surprisingly, very high. One Kuwaiti MP noted that for every 10,000 new migrants, an additional 135 were needed in the security sector. (The United States has a rate of 22.5 police officers per 10,000.<sup>21</sup>)

The hardships of migration are more than matched by the hardships back home. Often the migrants' wives are burdened with more work than before; they have to take care of the family on top of the land, the house and the money. Occasionally, these new roles allow the women to take more power within the family and the community, but the women may also be rendered more vulnerable within patriarchal societies.<sup>22</sup> Many of these realities of migrant work become the subject of TV or radio shows. In Manila, one of the most popular radio call-in shows in recent times was "To Saudi with Love," where husbands and wives might pass news, quarrel or make up over long-distance telephone.<sup>23</sup>

The class anger of workers engendered by these experiences has not gone unnoticed by the Gulf rulers, who continually seek to avoid reliance on a single ethnic, religious, or national block of migrants. The homogeneity

of Arab workers, for instance, which originally was advantageous to the sheiks and oil companies, quickly became a liability. That Arab workers could use their own informal networks to travel to and find jobs in the Gulf, meant they were less susceptible to state control. Islam too has been used as a vehicle for more rights, whether it be around the grand demand of sharing "the gift of Allah to all" (oil) or using religious justifications to demand better housing and employment. Some areas, such as Saudi Arabia's oil-producing Eastern Province, have large, strategically placed Shi'a populations who have in recent years launched riots, demonstrations, and strikes.<sup>24</sup> Other more mundane factors also cause trouble for employers. The simple fact that a worker can read and speak the same language as the boss translates into a greater awareness of (limited) legal rights or the content of a work contract.

Arab workers have also been considered too susceptible to the infectious political ideologies of the region. "The Gulf governments can be expected to deport any known political activists and to terminate the permits of as many Lebanese, Iraqi, Syrian and Palestinians workers, as well as other workers of Iranian origin, as they feel politically possible," wrote analysts for the UK-based Royal Institute for International Affairs in 1986, foreshadowing the expulsions to come during the Gulf War.<sup>25</sup> One reason is the "dangerous" demand for residency rights. The Kuwait government has long been besieged with demands from Lebanese, Egyptian and Palestinian workers for the rights of residence.<sup>26</sup>

The decline in the political power of Arab nationalism in the past twenty years is not surprising given the class experiences of many Arab workers. Expulsions and discrimination have been commonplace over the past decade, particularly that of Palestinians who have always been seen as a potent political danger.<sup>27</sup> Even Indian and Pakistani laborers, though "non-Arab," have also been seen as a liability simply because they are thought of as having a "proclivity" to settle. In general, the closer the cultural similarity, the more local rulers felt threatened.

Thus, following the ever increasing demand for labor after 1973, the political and economic changes in the wake of the Iranian revolution, and the dangers posed by a predominantly Arab proletariat, the oil companies and rulers of the Gulf looked to East Asia, for a more sizable, transient, diverse and cheap labor force. This trans-oceanic leap is reflected in statistics: by 1980, some 40 percent of the aggregate labor migration from Asia to the Middle East consisted of workers from East and Southeast Asia, a trend that increased in the 1980s.<sup>28</sup>

### Women Workers

One of the most exploited sectors of the oil-producing proletariat are domestic servants, composed mostly of women from Sri Lanka, Indonesia, Thailand, and the Philippines. In pre-war Kuwait alone, approximately 35,000 Sri Lankan women worked as domestic servants.<sup>29</sup> The conditions of work by all accounts are horrific. Rape, sexual harassment and beatings are common. "One girl came home from Saudi last month in a hood and long dress," explained Rosabella Khan, the head of a Filipino government agency for overseas workers, to a *Los Angeles Times* reporter. "I thought she was a Muslim. Then we found she'd been kicked and beaten and slapped by her employer. She was black and blue all over. We had to send her to three hospitals."<sup>30</sup>

Sri Lanka is the primary source for houseworkers in the Gulf. In fact, the majority of Sri Lankans in the region are female domestic workers, a situation that heavily affects the Sri Lankan economy. Almost one and half percent of all Sri Lankans work in the Gulf, the highest percentage of all Asian countries. More than 200,000 Sri Lankans (mostly women) were working in the area in 1983, a number that has certainly risen given the continued migration to the region since that time. The Sri Lankan government sets a recommended "minimum wage" of \$100 per month for these workers, and many don't even hit that figure while working seven days a week, 15-16 hours a day.<sup>31</sup> Most of the women from Sri Lanka are married and have children and are forced to the Gulf on the promise of — by Sri Lankan standards — a substantial wage. Again, most migrants operate through a recruitment agency with many borrowing money from family members, neighbors, or "in the streets" at interest rates of 15-30 percent per month in the early 1980s.

Non-payment of wages, lack of holidays, not being allowed to go out or be alone with men, no access to telephones, and being locked up in houses are also common experiences. (Some work contracts even go so far as to ban homesickness.) Notices announcing the absconding of contract workers and servants are standard fare in Gulf newspapers. They ask the readers to report the man or woman to the police or the contracting agency if they find him.<sup>32</sup> Within Saudi Arabia, gangs of bounty hunters track down runaway workers, a practice reminiscent of the slave patrols in the US. Indeed, the Indonesian ambassador to Saudi Arabia compared the sending of women to the Gulf states as slavery and urged his government to stop the practice. India, according to one source, banned emigration of women to the Gulf in the 1970s and the Philippines temporarily banned the export of women as domestics in 1988.<sup>33</sup> Most recently, Sri Lanka

banned the recruitment of women to Libya. All of these actions were, on the face of it, taken as a result of the complaints of brutalities.

In many Gulf states, domestic workers are in open rebellion. In the United Arab Emirates, 2,600 complaints of servants fleeing were registered with a government agency in 1991. (The 47,000 "national families" of the UAE have hired an estimated 25,000 maids.) In response, the Dubai police have called for the establishment of guidance bureaus to help Gulf Cooperation Council (GCC) states rear children. The UAE has also launched a campaign criminalizing houseworkers, claiming they are corrupting Muslim society and teaching children how to drink alcohol. In Kuwait too, houseworkers commonly seek refuge in embassies or churches. Following the Gulf War, the number of assaults and rapes skyrocketed in Kuwait, a country that already had one of the highest rates of rape in the world. In response, many thousands of Filipina maids fled to the Philippines Embassy seeking refuge.

The Philippine government, though, like all governments that have substantial numbers of people working in the Middle East, does very little to protect these workers, unless they are, of course, forced to. They see it in their interest to continue and to expand the trade. Migration "eases" unemployment at home and provides foreign exchange revenues through workers' remittances. The International Labor Organization (ILO) noted in 1990 that remittances for workers from Bangladesh, Egypt, India, Jordan, Pakistan, Philippines, Sri Lanka, Sudan and Thailand made up 24 percent of the average imports of their home countries.<sup>34</sup>

In the early 1980s, remittances to Pakistan were reportedly running about \$3 billion a year, though now remits are down to \$1.9 billion a year.<sup>35</sup> Between 1982 and 1986, the total remits of Filipino contract workers reached \$3.8 billion. In the words of Corazon Aquino, the foreign exchange generated by the Overseas Employment Program (i.e., all Filipino migrant workers, 75 percent of whom are in the Middle East) is "eleven times the average net foreign investment" in the country.<sup>36</sup> Among the tasks of the government's Philippine Overseas Employment Agency (POEA) is to conduct international marketing missions for Filipino labor.

The importance of remits to the Philippine economy led to legislation in 1982 that required all Filipino overseas workers to remit 50 percent of their earnings through the banking system. By 1984 the figure was raised to 70 percent. This measure effectively taxed workers, who would normally exchange money on the black market to get a more favorable rate. Not surprisingly, there was mass non-compliance that led the government to threaten the revocation of passports.<sup>37</sup>

### Decomposition and Militarization

Despite the restrictions placed upon migrant workers in the Gulf, many have been able to organize and to establish a foothold in the region. Whether they organized as Arabs, Palestinians, Communists, Muslims, Catholics or along other lines, their struggles increasingly challenged the brutal conditions under which they were living. The more they overcame the boundaries created by their differences, the harder it became for the rulers of the region to continue the high level of exploitation.

But the decline in oil prices in the 1980s and the slaughter of the Iran-Iraq war undermined much of the economic and political power of migrant workers and the oil-producing proletariat generally in the Gulf. Lower oil prices and the ensuing austerity measures radically cut into people's wages and standard of living. According to the *Financial Times*, foreign workers in Saudi Arabia are prepared to accept wages a third lower than what their predecessors demanded ten years ago. Along with decreased wages, higher consumer prices and cutbacks in social services, migration procedures tightened and police sweeps increased significantly in the 1980s. At the same time, "sending" countries aggressively pursued their policies of labor exports and continually lowered recommended minimum wage levels for their workers.

But by the end of the 1980s, a renewed upsurge of popular protest in the region, threw the old regimes and theocracies in crisis. The Intifadah, general strikes and riots in Algeria and Morocco, protests on the streets of Kuwait, and insurrections in Jordan brought back the nightmare scenarios of the late 1970s. As the key political power in the Gulf, Saudi Arabian rulers were particularly alarmed by these events. The death of 1500 pilgrims in Mecca in July 1990 exacerbated the situation and added little to the credibility of the "Custodian of the Holy Mosques," King Fahd.

Coinciding with these events were profound changes in the regional oil industry. New capital investment and the decline in the "boom" industries, such as construction, required structural changes in the Gulf labor force. Though still heavily dependent on unskilled and semi-skilled labor, the Gulf states have been seeking to increase skilled workers relative to the unskilled workforce.<sup>38</sup> In addition, there is the problematic of the large non-national workforce, in some cases resident for decades, making economic, moral and political claims upon the Gulf states. Despite the continual effort to shuffle and renew the migrant labor force in order to prevent the solidification of political or economic demands, the threat of some sort of "international intifadah" making its way to these workers has long been worrisome. It is one thing for unemployed workers to explode



in the ghettos of the Gaza Strip, quite another for workers in near oil industry installations to rebel and threaten billions of dollars of capital investment.

Hence, the importance, and in fact the necessity, of the Gulf War, which at once fortified the vast system of indentured servitude in the region, allowed for the reorganization of the migrant labor force, and bolstered the despotic rule of the feudal monarchs in the heart of the most advanced and capital intensive industry in the world. The mass expulsions of Palestinians and Yemeni workers from Kuwait and Saudi Arabia would have been inconceivable without a significant increase in the militarization of these countries. Thus, in order to protect the new, mass investment in the Gulf oil industry, to ensure its profitability, and to undertake a decomposition of the oil-producing proletariat required by this new technological leap in production, militarization was a necessary precondition. It is of course true, as John L. Lewis once said, that coal cannot be mined with bayonets; but at certain historical junctures, coal cannot be mined *without* bayonets.

### Notes

<sup>1</sup> Exact figures are difficult to find because Gulf states do not publish accurate numbers, if at all. Estimate is of pre-Gulf War non-national populations of Iraq and the six Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates). Compiled from: Godfrey Gunatilleke, ed., *Migration of Asian Workers to the Arab World* (Tokyo: United Nations University, 1986); *Informal Report on Migrant Workers Affected by the Gulf Crisis*, International Labor Organization, November 1990; *Inter-regional Tripartite Round Table on International Migration*, ILO, December 1990; Roger Owen, *Migrant Workers in the Gulf*, Minority Rights Group Report No. 68 (London: Minority Rights Group, 1985), and newspaper and magazine reports.

<sup>2</sup> P.R. Gopinathan Nair, "India," in Gunatilleke, ed., p. 68, and Owen, p. 4. For a historical summary of South Asian migration see Lydia Potts, *The World Labor Market: A History of Migration* (London: Zed Books, 1990) and Ijaz Shafi Gilani, *Citizen Slaves, Guest Workers: Dynamics of Labor Migration from South Asia* (Islamabad: Institute of Policy Studies, 1985).

<sup>3</sup> Owen, p. 5. Quot from Ian J. Seccombe, "International Migration in the Middle East," in Reginald T. Appleyard, ed., *International Migration Today* (UNESCO), p. 195.

<sup>4</sup> Owen, p. 4-7, and Seccombe, p. 184.

<sup>5</sup> A.M. Farid and H. Sirriyeh, eds., *The Decline of Arab Oil Revenues* (London: Croom Helm, 1986), p. 90.

<sup>6</sup> Owen, p. 4.

<sup>7</sup> *Financial Times*, 26 November 1984 on Yemen. On Jordan, see "Jordan Staves off the Jobs Crisis," *Middle East Economic Digest*, 30 January 1988, and M. Samha, "The Impact of Migratory Flows on Population changes in Jordan," *International Migration*,

June 1990.

<sup>8</sup> On the number of agencies, see Owen, p. 10. On profits, see Helmut Kurth and Ngo Huy Liem, eds., *Migrant Overseas Workers: New Area of Concern for Labour Unions* (Manila: Economic Research Center, University of Santo Tomas, 1988), p. 21.

<sup>9</sup> Peter Woodward, *Oil and Labor in the Middle East* (New York: Praeger, 1988), p. 73.

<sup>10</sup> Gunatilleke, p. 68, for origin of Indian migrant workers. Woodward, p. 76.

<sup>11</sup> Even the *Financial Times* (23 February 1983) took note of the size of the Kuwaiti unofficial labor market.

<sup>12</sup> *Growth and Adjustment in Asia* (Geneva: International Labor Organization, 1986), p. 94.

<sup>13</sup> Woodward, p. 20.

<sup>14</sup> In June 1989, a gas pipeline explosion in the Urals in the Soviet Union killed over 600 people. In the North Sea in July, 1988, 167 workers were killed when the Piper Alpha production platform, owned by Armand Hammer's Occidental Petroleum, blew up. Over 300 people were killed in Mexico City in 1984 after a gas storage facility exploded, and in the same year in Cubatao, Brazil, over 500 were killed when an oil pipeline erupted. In the Middle East, deaths are far more of a day-to-day reality for the oil producing proletariat as a whole. In the first nine months of 1989, for example, the Iraqi government returned to Egypt the bodies of more than 1000 workers who died on account of the brutalities they had been subjected to in Iraq. The figure exceeded by 100 the 942 bodies sent back in all of 1988, due in part to the attacks on Egyptian migrants following the end of the eight-year war with Iran. See *New York Times*, 15 November 1989.

<sup>15</sup> "These [labor] policies aim at keeping the foreign workers on a short lease, to avoid labor or political disputes." K. Pakravan, *Oil Supply Disruptions in the 1980s: An Economic Analysis* (Stanford, CA: Hoover Institution Press), p. 7.

<sup>16</sup> Owen, p. 12.

<sup>17</sup> Ibid.

<sup>18</sup> See Woodward, Owen, *passim*.

<sup>19</sup> See *Financial Times*, 25 September 1990.

<sup>20</sup> Woodward, p. 42, and appendix.

<sup>21</sup> Based on employment by 12,401 agencies for 233 million people. See *New York Times*, 17 February 1992.

<sup>22</sup> For more information on the women who remain in the home country see *MERIP Reports*, June 1984.

<sup>23</sup> See "Paychecks Full of Pain and Profit," *Los Angeles Times*, 14 September 1990.

<sup>24</sup> The Shi'a riots in Qatif and Saihat in 1979, demonstrations in Bahrain and Kuwait the same year, the coup attempt in Bahrain in 1981 (which involved Bahraini and Qatari Shi'i), the bomb attacks in Kuwait in the early and mid 1980s, the hijacking of the Kuwait airliner in 1984, the attempted assassination of the Kuwait ruler in 1985, and, of course, the Iranian revolution, are just some examples of Shi'a agitation.

<sup>25</sup> See V. Yorke and L. Turner, *European Interests and Gulf Oil* (London: Royal Institute of International Affairs, 1986), p. 57.

<sup>26</sup> "Foreigners Feel the Pinch," *Financial Times*, 23 February 1989.

<sup>27</sup> Yorke and Turner, p. 57.

<sup>28</sup> From *Growth and Adjustment in Asia*, ILO 10th Regional Conference, Jakarta, December 1985, p. 86. See also Seccombe, p. 204.

<sup>29</sup> "Working in Virtual Slavery," *The Nation*, 18 March 1991, p. 342.

<sup>30</sup> *Los Angeles Times*, 14 September 1990.

<sup>31</sup> "Recruitment of Labor Migrants for the Middle East: The Sri Lankan Case," *International Migration Review*, Summer 1990, pp. 300-301.

<sup>32</sup> A check of three different Arabic-language newspapers in Saudi Arabia (from the three different zones) for a week in February 1992 turned up at least one such notice everyday in each paper; some papers carried up to four and five in a day.

<sup>33</sup> See *Migrant Overseas Workers*, p. 21, for comments of Indonesian ambassador. On India banning women working in the Gulf see Gunatilleke, p. 68, and for Filipino ban see *Los Angeles Times*, 14 September 1990.

<sup>34</sup> *Informal Report on Migrant Workers Affected by the Gulf Crisis*, ILO, November 1990.

<sup>35</sup> *MEED*, 4 July 1989.

<sup>36</sup> *Migrant Overseas Workers*, p. 5.

<sup>37</sup> Woodward, p. 113.

<sup>38</sup> See Jon McLin, *Social and Economic Effects of Petroleum Development in Non-OPEC Developing Countries* (Geneva, ILO), pp. 52-55, Farid and Sirriyeh, eds., p. 102, and Owen, p. 16.



### 3

## RECOLONIZING THE OIL FIELDS

*Midnight Notes Collective*

THE GULF WAR EMERGED OUT OF THE INTERSECTION OF TWO BASIC TENDENCIES of capitalism in the late 1980s: the “New Enclosures” and “recolonization” of land and the natural givens of the planet (as commented upon by other articles in this volume), and the decisive demise of various forms of state-led capitalist development (sometimes called socialist and/or fascist) from the Soviet Union to South Africa.

The names for the mechanisms, strategies and plans devised to realize these tendencies are multiple and make up the contemporary euphemistic vocabulary from the “debt crisis” to “perestroika,” from “privatization” to “austerity,” from “free-markets” to “electoral democracy.” But they found their truth in the mass slaughter of Iraqi civilians and conscripts in the early days of 1991 by the US/UN coalition’s bombers, the Ba’thist counter-revolutionary massacres throughout Iraq, and the torture and disappearances of Palestinians in Kuwait.

From the energy crisis to the debt crisis, capital has thrown all the nationalist and socialist deals into crisis, and ushered in the New World Order under its official inaugurating event, the Gulf War. It is obvious enough that the New World Order means that the US is the undisputed superpower, that the US has acquired military hegemony over the world: But power to do what? Hegemony over what? Midnight Notes looks at the New World Order as a new capitalist strategy for accumulation: accumulation of a proletariat and of profits with new planetary class relations, new structures of profit-making, and new forms of work. As such, this strategy has a history – its immediate history we attempted to outline in the previous section – and it also has weaknesses which portend an uncertain future. In this chapter we examine the Gulf War in some detail

in the hopes that we might be better prepared to resist the future wars which further capitalist development will inevitably entail.

The war was not just a symbolic beginning for the New World Order, it was a very real beginning with substantive effects. The war and its aftermath centered around the commodity that has been the fulcrum of class relations internationally in the post-WWII period: petroleum. In this new era of recolonization, the oil commodity posed a paradox to capitalist development: if the oil fields of the Persian Gulf nations, the Soviet Union, Mexico, Angola and the other countries that had decolonized Western capital between the 1920s and 1970s were to be recolonized or "enclosed," then a whole new wave investment must be injected to make them profitable. Yet the statist regimes that would be receiving this new investment had to be hardened to reject any demand by the proletarians in and around their oil fields for a share of the new wealth they would be producing. Moreover, the proletarians themselves would have to be terrorized into accepting a life of extreme poverty amidst vast accumulations of wealth.

This Gordian Knot of class contradictions was decisively cut by the whole spectrum of violence and terror available to contemporary capitalism, from the bombs burning Baghdad residents in the depths of air-raid shelters, to the tanks the Ba'thists used to crush rebels in Basra, to the CIA torture techniques tormenting Palestinians in post-war Kuwait. The war created the greatest mass layoff in recent times; a qualitative change in the militarization of the Mideast oil industry; a re-engineering of Mideast class relations; a jump in investment capital (due to the oil price rise); and a completely decimated and dominated country (Iraq) that will serve as the new lesson for those governments that are incapable of fulfilling capital's demands for austerity and recolonization. Whether this great "solution" will create the conditions for an even more inextricable knot is the question for the struggle of the next decade.

### New Investment

The collapse of state socialism was nowhere more visible than in the oil industry. State-owned oil companies in Algeria, China, Mexico, Venezuela, Vietnam, and most importantly, the USSR, opened their doors to international capital in the 1980s. The businessmen of the US and Europe were joyous to see a "reopening of areas previously off-limits."<sup>1</sup> The states that nationalized their oil fields and pumps in the early 1970s have now been forced to surrender under financial pressure to the old oil companies of the colonial era.

But now the question for these energy capitalists is: where are they going to get the capital to take advantage of their new conquests? The drawback of falling oil prices in the 1980s was that oil companies' profits and investments were also restricted. If the oil industry from the USSR to Venezuela faced declining production and inefficient technologies, the Western oil companies did not have much money to change that. Gorbachev told US oil executives, "We're expecting a lot from you," but the massive petrodollar surpluses had disappeared.

The 1980s strategy of war, debt, austerity and falling oil prices had achieved much by way of disciplining various proletariats and devastating their national economies. But the wave of struggles in the late 1980s and the lack of investment money for energy capitalists indicated the limitations to its utility. Oil prices had to increase over the 1990s to provide the basis for the new technological leap in production. The OPEC countries, the US and European governments, and the USSR were all in agreement that new investment was desperately needed in the global oil industry to expand production and that the price of oil would have to continue to move upwards over the 1990s.<sup>2</sup> It was a remarkable unanimity considering that the same countries had pursued very conflicting policies for decades. The director of OPEC said in 1990 that some \$60 billion would be needed by 1995 for such new investment in OPEC countries. Other estimates were that over \$60 billion would be needed just for the five major producers in OPEC: Iran, Iraq, Saudi Arabia, Venezuela and Kuwait. In 1991, it was reported that Venezuela alone was embarking on a five-year, \$48 billion expansion program.<sup>3</sup> Whatever the estimates, oil industry experts were concluding that "even without the recent turmoil in the Middle East, higher oil prices – about \$40 a barrel – were almost a certainty for the late 1990s."<sup>4</sup>

The two largest non-OPEC oil producers, the US and the USSR, have faced declining oil production and a declining rate of productivity over the past several years. Once the Soviet oil industry, the largest in the world, was put on the international market, capitalists were eager to tap into the oil fields. With the right reorganization of class relations, the Soviet oil industry can be transformed into a hub of the global oil market.<sup>5</sup> Some of the new investment money has already come from the petrodollars created by the surge in oil prices during and after the Gulf crisis. The down payments are being made: Saudi Arabia announced in the fall of 1990 that it was loaning the USSR \$3 billion and the Kuwaiti government in exile announced in January 1991 (in the midst of the war) that it was sending a \$1 billion loan.

In mid-1990, OPEC began planning the price increase. Immediately before the Iraqi invasion of Kuwait, the OPEC member countries met in Baghdad and came to an agreement. At the time (July), oil had fallen to around \$16-\$17 a barrel but had dipped to \$14 the month before. The only disagreement between the countries was how much the target price of oil would go up; whether it would be \$21 per barrel as Saudi Arabia wanted or \$25 as Iraq advocated. The previous OPEC reference price had been \$18. Saudi Arabia largely dictates OPEC policy so its position won out. The Iraqi oil delegation returned to Baghdad grumbling but incapable of defying the larger producers at the bargaining table.

### **Iraq's National Socialism and the Invasion**

The events which follow mid-July are full of paradoxes and require some effort to decode. The Machiavellian aspects of the Gulf War are, of course, closed to us; what transpired in various closed-door meetings in the White House, in Arabia's palaces and in Baghdad offices is left for future historians to try to uncover. For now we can simply infer motivations and reactions from what is publicly known. The world of inter-state relations is one of cynicism, spying and double-dealing, and so one must be careful not to be fooled. First let us examine the logic of Iraq's invasion of Kuwait.

Immediately after the OPEC meeting in mid-July, the Iraqi government began threatening to invade. Ever since the end of the Iran-Iraq war, the Iraqi government had been trying to negotiate with Kuwait on its debt and the ownership of a shared oil field. Its demand that OPEC raise the price of oil was part of the same piece. The Iraqi economy was in a deep crisis by 1988; the necessity of launching a massive reconstruction effort was met with a total lack of state revenue.<sup>6</sup> Oil constituted 95 percent of Iraq's export earnings and the falling prices over the early to mid-1980s meant a severe shortfall of foreign exchange. So Iraq tried to push for higher oil prices in OPEC and tried to push Kuwait into granting concessions in the debt and the oil sharing agreement.

The Iraqi Ba'th Party had one other front as well; this was the domestic front, i.e., to slash government expenditure and privatize much of the public sector industry. From 1987 onwards, the Iraqi government was following a typical IMF-style plan of austerity and privatization. Yet this plan failed and by 1990 the state was in an even greater economic crisis than before; the reforms "plunged the economy into such chaos that not even the experienced repressive apparatus of the Ba'th Party could guarantee domestic political stability."<sup>7</sup> The reasons for the plan's failure



go to the heart of Iraq's motivations to invade Kuwait and US motivations for attacking Iraq. The plan failed because the Iraqi regime, given its institutional bases of support, was unable to impose the conditions of austerity or attract private investors to take over state industries.

The Ba'th Party since the late 1960s had organized a police state where workers were under strict surveillance and discipline. However, the whole security apparatus depended on the state simultaneously providing for a relatively comfortable standard of living. The Iraqi regime, before the late 1980s, never tried to implement a radical austerity program. Ba'thist economic strategy throughout the 1970s and '80s was "guns and butter" similar to the early war plans of the German National Socialists in the 1930s. Oil revenues allowed the state to sustain a distributive welfare state system while still investing in industrial expansion. Because of this welfare and industrial growth, the Party "was able to provide opportunities for social and economic advancement for many sections of the middle classes and even to offer the possibility of social and economic incorporation and advancement to social groups that had hitherto existed only on the margins of society such as the urban poor and the rural migrants." <sup>8</sup> Moreover, the whole patronage system for the Ba'th leadership was based in the public sector industries. The Iraqi government could not impose austerity nor privatization without committing political suicide.

Thus, the attempt at austerity and privatization was half-hearted at best. Hussein's regime removed price restrictions on basic food items in August 1988, but backed off after facing much public anger. In April 1989, price controls were reestablished.<sup>9</sup> The 1990 budget was designed to be an austerity budget yet it still raised civil service salaries by 60 percent and increased subsidies on food and basic commodities by 113 percent. In fact, government spending on the whole increased. The austerity was intended to come mainly through layoffs of government and public sector employees.<sup>10</sup> The Ba'th Party disbanded its public sector trade union in 1987 in an effort to deregulate the labor market. The strategy was to keep wages high for those who had jobs while creating many more unwaged, unemployed people. Simultaneously, the Party attempted to deregulate private investment and increase the role of private investors, including foreign investors, in Iraqi production. The Iraqi state controlled all the major sectors of industry and trade and so there was much to privatize; in fact, it was trying "to implement the most wide-ranging privatization program in the developing world."<sup>11</sup> The end result, however, widely diverged from the plan. Very little unemployment could be created and very little private capital investment could be stimulated. The "liberalization"

campaign after 1987-88 did not seriously change the Iraqi economy nor erode workers' privileges.

Hussein and the Ba'th Party inner circle were certainly *not* trying to be anti-IMF renegades. All the Mideast states were introducing austerity and privatization programs and Iraq's program was exceptional only in its scale.<sup>12</sup> Iraq was trying to accommodate the IMF's sponsors for, among Gulf states, the Iraqi government, after Saudi Arabia, maintained the largest import-export trade with European and Japanese corporations. After 1988, the Iraqi government had plans, like all the oil-producing states, for a new cycle of industrial expansion that was completely reliant upon foreign capital assisting with financing and technology.<sup>13</sup> The Iraqi government also had ambitious plans for military growth. Iraq had served the interests of Western capital for the previous decade with the war on Iran and Hussein did not imagine Iraq's own military program to be inherently antagonistic to the US, Europe and Japan's interests. (Recall that in 1987 Hussein intentionally brought the US Navy into the Persian Gulf.) But Hussein was clearly an inadequate cop; he couldn't even enforce debt and austerity within Iraq.

The Iraqi regime was highly unstable in the new capitalist terms of the Debt Crisis period and this instability was affecting the entire region. After being unable and unwilling to take out the debt crisis on the Iraqi workers, the Ba'th Party next tried to make the Kuwaiti ruling group pay. The questions of Kuwaiti war loans and oil sharing agreements became ever more important as potential "outs." The Iraqi regime was incapable of effectively confronting its own working class and so was making demands on the bankers and oil sheiks of Kuwait. This was and is a continuing problem for international capital – and a problem which every indebted government in the Mideast could be expected to share. While every country from Morocco to Pakistan was imposing austerity, there would always be the tendency of the governments to point at the riches of the Gulf and demand a pan-Arab or Islamic redistribution of wealth. These regimes would be tempted away from the task of restructuring their own national systems of accumulation and look towards the Gulf states' wealth to bail them out.

Thus, Iraq's state socialist model resulted in the *antithesis* of the 1980s IMF paradigm for accumulation: the state was the country's primary employer, public sector workers were accustomed to a relatively affluent life, austerity measures could not be easily implemented, and the regime was trying to evade the fate of the other Mideast states like Jordan and Algeria (riots and chronic political instability) by turning towards Gulf oil

wealth. *This was not the type of example capitalist planners in the US and IMF wanted to give to other workers, for Ba'thist national socialism was still too socialist for them.*<sup>14</sup>

### A Common Cause

The motivation for Iraq's invasion then is more or less clear. It was to save Iraq's economy and the Ba'th party's political future. It was to cancel Iraq's \$40 billion debt with Kuwait, loot some of its wealth, and stake a claim to some of Kuwait's oil fields. But we still need to consider why the Iraqi government thought an invasion would have some chance of success.

A common explanation for the Gulf War is that it was a set up job; Hussein was duped into invading Kuwait by the US government's statements of indifference and then caught by surprise when the US actually sent in the troops. However, the Iraqi government had to know that a US military response was possible, regardless of the US's words, by the simple fact that Kuwait was a country whose petrodollars were important to Western banks and stockmarkets. The Kuwaiti government had refused to negotiate with Iraq over its debt and the shared oil field since 1988, and had remained adamant even with 100,000 Iraqi troops on its border in late July 1990. It was clear just from this situation that Kuwait had some external assurances. If that were not enough, Kuwaiti officials were at times open about US backing. On July 30, the Kuwaiti foreign minister told a Jordanian delegation, "We are not going to respond to [Iraq] . . . if they don't like it, let them occupy our territory . . . we are going to bring in the Americans." If Jordan's government knew of this, one can be certain that the Iraqi government also knew.<sup>15</sup>

We should work from the logical assumption that the Iraqi government knew that a US military response was likely. This was a dicey situation for both the Ba'th Party and Kuwait's Sabah ruling family in one sense, but, in another, neither had much to lose. These governments were both facing internal threats that only extraordinary methods could resolve. The Kuwaiti state was facing chronic internal instability that a decisive military shock of class relations might alleviate and the Ba'th Party was in a situation where it either had to lose power by self-destructing its national socialist apparatus or face a potential military response from the US. Hussein went ahead with the invasion either expecting that there would be no serious counter-attack or that such a US attack would help him consolidate Ba'th Party power and impose the type of austerity the IMF was demanding. Neither Hussein nor Sabah could lose

if the US intervened, or so the game-theoretic matrices intoned.

There was no reason for either the Ba'th Party or the Sabah family to think the US would destroy them in the case of a military intervention. For the past decade, the US government had been backing both. All the way until a month before Iraq invaded Kuwait, the US government was arranging credit for the Ba'th regime. From 1983-90, the US Agriculture Department provided Iraq with \$5 billion in credit and loans to purchase US agricultural goods.<sup>16</sup> After 1987, the US was Iraq's number two source of imports. The Iraqi government had reason to believe that the US would either allow it a negotiated way out of Kuwait or would fight a war in such a way as to leave the Ba'thists in power. As in 1987, Hussein was probably hoping the US would intervene to help the Ba'thists cope with their own crisis.

In fact, the Iraqi government was certainly aware of the that the US would seize the opportunity to station troops in the Gulf. For all of Hussein's anti-imperialist rhetoric, his action was precisely what international capital needed. Just as the latter's rhetoric of national sovereignty and human rights was entirely specious, there is no reason to assume that Hussein's rhetoric of anti-imperialism was anything more than the opposite: an invitation to the US to help the Ba'th Party get out of its crisis. (Such scenarios are actually rather common in the history of wars between nation-states.) Indeed, if we look at how the war was actually fought – if what happened can be called a war – then we find that Hussein and the Ba'th Party really didn't lose. Much of Iraq was destroyed and the ruling party was further subordinated to international capital, but it is still in power and was deliberately kept in power by the US military.

### **The Bombing and the Massacre**

The US military began bombing Iraq on January 17. The targets of this bombing campaign were primarily Iraqi civilians and not military installations. It had nothing to do with the various stated goals the US government gave for its intervention: defending Saudi Arabia, liberating Kuwait and destroying Iraq's military. US pilots were dropping bombs on factories, bridges, roads, telephone exchanges, water treatment centers, houses and office buildings. Ultimately, everything and everyone in Iraq was a target. The only goals that one can infer from the intended pattern of the bombing and its indiscriminate result were the destruction of Iraq's infrastructure and the decimation of its civilian population through starvation and disease. By ruining the public water and sewage systems, the US was practicing a modern form of germ warfare that would have

impressed the Mongols who sabotaged Baghdad's aqueducts in 1258.

After blasting Iraq, the US then slaughtered Iraqi troops retreating from Kuwait on February 25-26. From the cluster bombs, the incendiary bombs and the explosion of the vehicles' gas tanks, Highway 80 from Kuwait City to Basra was rendered into a linear version of a Nazi death camp. The Iraqi conscripts that the US/UN troops killed in Kuwait were working class men. Hussein had thrown about 150,000 soldiers into Kuwait, many of them with little training. Some had been recently picked up off city streets. Most were Kurds and Shi'i who had the least amount of loyalty to Hussein's regime.<sup>17</sup> The more reliable army units were kept in the rear. It is not surprising that many Iraqi troops rebelled and deserted en masse once the US attack began. They had been dumped in Kuwait with little payment and food by a government they never really supported. Thus, in Kuwait, the US military massacred the working poor of Kurdistan and southern Iraq. US intelligence knew exactly who its victims were. Public reports even before February noted that the frontline soldiers were less soldiers than men who happened to be wearing a military uniform.

By massacring the retreating troops, the US was destroying the men who would have been the main force of the revolt within Iraq. Those troops that did manage to make it back to Iraq alive often returned with their guns and became the leaders of the anti-Ba'th attacks. The Kurds and Shi'i who were the majority of the retreating troops were planning on turning their guns on the Ba'th Party, which must have heaved a sigh of relief to learn that so many of their conscripts had been slaughtered. Nevertheless the working class uprisings in Iraq gained strength immediately after the war and the US was forced to militarily intervene in northern Iraq, a maneuver designed (in collaboration with Kurdish nationalist leaders) to prevent the internationalization of the rebellion and free the Iraqi military to sweep-up in the south.<sup>18</sup>

The US military did not attack the core of the Iraqi military and left the Iraqi regime largely intact. All the talk about destroying the power of the Iraqi military and overthrowing Hussein turned out to be hollow. The government's stated reason for stopping was yet another redefinition of the goals of the military action. Bush began arguing that the only goal was to evict Iraq from Kuwait — a goal which sounded strange to everyone, especially the soldiers, when the US, British and French air forces had just spent the last month bombing civilian targets in Iraq.

So why did the US not continue the attack into Iraq? Simply put, the US government and its allies wanted to maintain a police state in Iraq and the only organization that could guarantee these goals was the Ba'th

Party.<sup>19</sup> Capitalist planners were not interested in a centralized government alone, but one that could impose IMF-austerity. All of the oil producing states are now in the process of imposing some level of IMF-directed austerity plans. These plans cannot be imposed except with a police state. So Hussein's government in Baghdad was salvaged by the US administration as a deliberate policy. The left critics of the US war have not tired of pointing out the hypocrisy of advertising the war as a fight against "Hitlerism" and then allowing this "Hitlerism" to remain in power. However, these critics have not explained the reason for the hypocrisy. US policy was very consistent: *massacre the recalcitrant elements of the Iraqi working class and then keep the Iraqi police state intact as long as it agreed to the conditions of austerity.*

This double maneuver partially reveals the Bush Administration's motivation for combat beyond the simple stationing of troops in the Gulf. The war was not an attack on Iraq as a nation-state, it was an attack on the Iraqi working class and a defense of an Iraqi police state (even though the police state has been weakened and is entirely dependent upon the whim of the US government, it remains in place and functioning). One motivation for the war was the desire to destroy the basis of working class power in Iraq and fundamentally alter the relationship between capital and labor. Before the war, many Iraqi workers had a kind of informal and tacit social contract with the Iraqi government. But the US achieved what the Ba'th Party was unable to do alone: annul the social contract and render the workers free to starve and the state and private capital free to accumulate.

### Iraq as IMF Paradigm

Iraq was transformed into a model for IMF-directed development by the Gulf War. The starvation and disease has created a kind of blank slate for class relations. Iraq is the experiment: just how far can the austerity strategy go? Being virtually surrounded by US troops, the Iraqi government is being told that it may sell its only export commodity, oil. However, it will not be allowed to profit a penny from its sale. *The conditions laid on Iraq will force the Iraqi government into producing oil with slaves.* This is the endpoint: the approach towards infinity for capital's austerity strategy. Of course, oil will not be produced today in Iraq if the workers do not receive at least a subsistence wage (monetary or not) and the state's oil corporation receives at least a slight rate of return. But capital is looking at the asymptotic lines on their graphs and wondering just how far down the line they can go and still get the oil.

The US/UN military operation and the imposition of trade sanctions has put the Iraqi government into the logic of triage: *How many* and *who* will starve? The Iraqi government, for example, recently debated budget cuts. But the National Assembly is still operating by the old national socialist logic and so is demanding pay increases for civil servants, higher pensions, more child welfare spending and a renationalization of bread bakeries. The Finance Minister, however, has rejected pay increases and similar "inflationary spending." The government is continuing many welfare programs for the moment: it is operating a food rationing system to ensure that everyone has a basic subsistence level of food and it is planning on subsidizing food prices for the upcoming year to the tune of \$7 billion. Much of the infrastructure is being repaired and the oil industry is, according to government figures, producing 450,000 barrels a day, which is just enough to meet domestic consumption. (Immediately before the war Iraq was producing close to 3 million barrels per day.) But in the absence of international trading and foreign loans, prices will continue to rise (inflation is now in the hundreds of percent) and domestic production will fall even further. The continuation of sanctions will force the Iraqi government into reneging on all its national socialist deals with the Iraqi workers.

Sanctions are part of the strategy of transforming Iraq into a paradigm of austerity in a period of rising oil prices. The US government has put Iraq back into a colonial situation where the US has the power to make all decisions regarding Iraq's integration into the world market: what it can sell, when, with whom and how much. Additionally, the US government is in the position to control the division of the revenue from the sales. By maintaining the sanctions, the US is enforcing a colonial relationship upon Iraq and making it the epitome of the global "no-deals" strategy, while keeping the onus of imposing austerity off the Ba'th Party. It would be as if the Nazi Party remained in power after its defeat in WWII and imposed reparations and disarmament (which, in a way, *did* happen). Most likely the sanctions will be lifted, not when Iraq agrees to any new elimination of a weapons system or a new inspection of its arms sites, but when it agrees to sell the oil on the US/UN terms.

To sell a commodity and not make a profit; this is a situation with which many primary commodity exporting countries can identify. The bauxite is mined or the coffee is grown in one's country and yet, after the international banks have been paid, one winds up further in debt. To remedy the situation, capital not only demands, but coerces the governments to attack the workers: to reduce wages and benefits, to cut all government

spending. The gods of accumulation in Washington, D.C., London, Bonn, Paris and Tokyo are now commanding their minions throughout the globe to squeeze every last penny from their workers and be content with a tiny commission. These gods can now point to Iraq for pedagogical purposes.

### **Beyond Iraq: The Gulf War as Imposition of Perestroika**

So far we have discussed the Gulf War in relation to Iraq's class relations. Now we should regard the war in relation to the class relations of the oil producing states as a whole. The war was not just intended to decimate the Iraqi working class and enforce an extreme form of austerity in Iraq, it was also intended as an attack on the oil producing working class, especially the migrant and non-citizen laborers. Observe what the war on Iraq accomplished: Kuwait expelled most of the Palestinians working there and the Palestinian population is soon expected to decline to 40,000 – from a pre-war population of roughly 400,000; Saudi Arabia expelled around one million Yemeni workers, and over a million Egyptian workers were displaced from Iraq and Kuwait. All of these displacements are now allowing the various Persian Gulf countries to implement what they call “rationalizations of the workforce.”

It is clear that capitalist planning needs higher oil prices over the 1990s. But if the price is to double over the next decade, capital has to ponder the stability of the regime of accumulation based on these price increases. Economic planners in the US and Europe remember the experience of the 1970s. After the 1973-74 hike, they were projecting steady price increases over decades. However, as noted in “Oil, Guns and Money,” they were forced to retreat by 1980. Morse, who, as editor of *Petroleum Intelligence Weekly*, is perhaps our best guide to capitalist planning in this regard, assumes that oil will reach \$40 by the year 2000. He recognizes that the real issue is not whether the price can be raised but whether the prices can be sustained once raised: “Even if oil prices fall again to less than \$20 a barrel after the current crisis is resolved, it seems largely irrelevant to ask whether such prices can remain stable or increase only modestly. It is time to address the question of how oil markets and the structure of the oil industry will react to *steep price increases*.”<sup>20</sup>

A major fear concerning “the structure of the oil industry” is the effect of such steep increases on the oil-producing states. From Venezuela to Libya to Indonesia, revenues are going to rise. Will this capital be “wasted” as in the 1970s on wages and government spending? Will the people be controllable as poverty persists in the midst of vast accumulations of wealth? Will the regimes of these states use the new wealth to undermine



the power of the IMF/World Bank/Pentagon troika or can they be further ensnared in interest payments and arms purchases?

The present situation in Iran exemplifies these queries. True to its "pragmatic" turn, the Iranian government is pledging that its oil revenue will not be distributed among the people but will instead be used for paying Japanese, Korean and Western corporations to help build new industrial facilities. Wages will be lowered as more multinational firms are paid-off. The government has, in the past two years, attempted a total overhaul of the government: it has devalued the currency, opened up the foreign exchange market and encouraged private foreign and domestic capital to invest. The whole program amounts to an Iranian version of perestroika. In fact, demonstrations this past year by Iranian workers with their empty pockets turned out are reminiscent of price protests in the former Soviet Union.

The Iranian government is also holding talks with the Gulf states on its military and political integration into the Gulf Cooperation Council.<sup>21</sup> The Iranian military is, now that Iraq's military has been badly damaged, the largest in the region (excluding Turkey's). Some sort of arrangement will be devised between the US military in Saudi Arabia and the Iranian military for a new regional approach to the imposition of austerity combined with industrial expansion.

But all does not bode well for the US, the Gulf states and Iran's plans. In the middle of the confrontation between Iraqi and US troops in January 1991, thousands of Iranian oil workers went on strike, demanding an indexing of wages to inflation, guarantees for housing and food, and changes in the labor laws. The government told the workers to end the strike in the interest of "national security." Pointing to the threat of war just across the border, the government blackmailed the workers into returning to work.<sup>22</sup> A large-scale strike in the steel industry in 1990, involving tens of thousands of workers, also radiated the potential for a serious disruption in the Iranian government's plan for austerity.

The Gulf War engendered a vast devaluation of the oil producing proletariat, but this devaluation was an important reason for the war. It was not merely a by-product of the war, it was at the core of international capital's motivations for pressuring the Iraqi Ba'th Party into the game-theoretic solution: war. Just as the 1973 leap in investment and expansion required the Arab-Israeli war to further weaken the working class in the Mideast, the planned 1990 leap required yet another war. The three groups of workers explicitly targeted in the war were the Iraqis, the Palestinians and the Yemenis: three of the most educated and politicized groups of

workers in the region, the three vanguards, so to speak, of the workers within the Mideast social factory. The oil industry's need for a disciplined, acquiescent workforce is paramount given the capital intensive nature of production, which may easily approach \$10 million per worker on an offshore production platform.<sup>23</sup> With so much capital invested in all the facilities in the Gulf, it only takes one worker with a "bad attitude," with some gripe against the Gulf states, with some political agenda, to create a lot of damage.

The stated reasons for the attacks on the Iraqi workers we have already seen to be specious. The stated reasons for the expulsion of the Palestinians from Kuwait and the Yemenis from Saudi Arabia were equally specious. Kuwaiti, Saudi Arabian and US governments portrayed the expulsions as simply revenge for the workers' supposed support for the Iraqi aggression. There are two problems with this excuse:

First, the GCC states and the US had been planning on reorganizing and reducing their labor force even before Iraq's invasion of Kuwait. The need to decompose the oil-producing proletariat in the Middle East has been long discussed and is nothing new. The IMF has continually informed the GCC states that there were too many parasites in their countries leeching off all the oil wealth. The harassment and expulsion of Palestinians from Kuwait and other Gulf states during the war is not only because they have been deemed parasitic, but also because they are politically "unreliable." "While Palestinians are important additions to the educated populations of many Arab states, they are also perceived as political risks, as time bombs waiting to explode and destroy the remaining traditional monarchies that control the richest Arab states." <sup>24</sup>

Secondly, neither Yemenis or Palestinians uniformly and unequivocally supported the Iraqi invasion. Besides, none of them were ever given much of an opportunity to express themselves on the matter, in the press, on the streets, or anywhere else. Their political representatives, the PLO and the Yemeni government, never expressed support for the Iraqi invasion. Both expressed neutrality. What the two national groups generally supported was an anti-imperialist and egalitarian politics. Their ideologies led them to a partial support for the invasion since it appeared to be an action against those who had helped the Israeli state to expropriate and oppress the Palestinians and against the GCC states which had accumulated so much wealth in the midst of mass poverty. However, most of them were aware of how little support the Iraqi Ba'thists had given the Palestinians before the invasion and how much support they had given the US, European and Soviet government. Thus, they were expelled or attacked,

not for their support of the invasion, which was nearly non-existent, but for their lack of it, i.e., for their critical and rational political beliefs.

The Gulf states plan to replace Palestinian and Yemeni workers with Asian workers: Filipino, Sri Lankan, Bangladeshi, etc. These Asian workers are on the low end of the Gulf's wage hierarchy.<sup>25</sup> The technical workers among the Palestinians (the bankers, doctors, engineers, etc.) are to be replaced by Gulf state citizens, Europeans and North Americans. Kuwait is now setting the example by contracting with international firms, the majority of them from the US, for its reconstruction effort. These firms are bringing in highly skilled workers from Europe and US. Thus, a new paradigm is emerging where relatively high-paid Western workers are combined with very low wage Asian workers. The intermediate stratum of workers from the area is being shrunk and devalued. The polarization of the wage scale is being deepened as has happened throughout the planet.

### **The Leap in Investment**

Immediately after the conclusion of the massacre of Iraqi workers in Kuwait and anti-Ba'th insurrections in Iraq, the Saudi Arabian state initiated the planned "modernization" of its oil industry. This Saudi campaign to increase the production and productivity of the industry is the largest since the expansion of the oil boom years in the mid-1970s. The projected increase in expenditure is \$15 billion for oil field development by the mid-1990s and \$10 billion for oil refineries by the end of the decade.<sup>26</sup> During the war, the Saudi Arabian oil industry increased its daily output to around eight million barrels which was nearly the limit of its productive capacity. But the new plans call for a daily production of ten million barrels as a normal output. It is the leading component of the world-wide oil industry's commitment to a leap in the technological level of production.

The present number two oil producer in OPEC, Iran, has also embarked on a massive expansion in its oil industry and its industrial capacity as a whole. At the moment, Iran is pumping about three million barrels of oil per day. It had begun the expansion before the Gulf War, but the vast oil profits made during the war has enabled Iran to devise even more ambitious plans. The rise in oil prices led to a gain of about \$4 billion for the Iranian government in the five months after the Iraqi invasion of Kuwait. This windfall profit gave Iran the means to increase its investment in its oil industry. Over the next two years, Iran has plans to spend \$2 billion to increase oil production capacity by one million barrels a day (so

that total capacity will be raised from four to five million per day).<sup>27</sup>

This expansion in the oil industry is now being done in an entirely different way than Iran's former expansion under the Shah's government in the 1970s. The government of President Rafsanjani has committed itself to imposing stringent austerity measures. The government has been developing closer ties with the IMF and has been accorded a good deal of praise in recent IMF scouting reports on the country's economy. The IMF report of early 1990 gave the country its first positive rating since the 1979 revolution.<sup>28</sup>

When OPEC met after the war, Saudi Arabia was able to dictate the terms, since two major oil producers were out of commission (Iraq had been the number two oil producer in OPEC and Kuwait number seven). Saudi Arabian rulers increased their quota and now have a stronger control over OPEC than ever before. Meanwhile, the continuing crisis in the former USSR implies that capitalists will wait before risking higher investments in the Russian oil fields, hence ensuring Saudi dominance for some time. Clearly, the Gulf War has made Saudi Arabia the unquestioned arbiter of oil prices and also the pacesetter for the level of technology necessary for any country to operate a modern competitive oil industry.<sup>29</sup>

The increased power of Saudi Arabia in the international oil market directly translates into greater power for the US government to control the oil price. For the US government has a controlling influence over the country's state-run oil industry, Saudi Aramco, and its financial ministry, SAMA. The contracts for the expansion of the Saudi oil industry and the sales of US weapons to the Saudi military make Saudi Arabia an angel of salvation for US capital.

### Envoi

There is no irony to the fact that at the heart of international capitalism today lies an apparently anachronistic and theocratic despotism resting on a vast system of indentured servitude. The more capital develops productivity through oil-based mechanization, the less need there is for direct human labor. But since capital is nothing but objectified human labor, it must make people work ever harder and longer inside and outside of the oil fields. Just as people realize they need not work as much as before, they find themselves working harder or excluded from the world's wealth altogether. This intrinsic contradiction of capitalist development can only be regulated for capital through ever more wars and policing. The slaughter and starvation of the Iraqi people and the uprooting of millions in the Mideast were the necessary preconditions of the most recent

industrial expansion. Every round of capitalist development requires a simultaneous wave of expropriation. The Gulf War was part of capitalism's most recent phase and it appears to have emerged victorious.

The US government is completely prepared for the requisite long-term occupation of the Gulf, and from its bases there and in Turkey, Diego Garcia in the Pacific Ocean, and Kenya, it will be capable of intervening in not just the Persian Gulf area, but also Africa and Asia. However, all of the US government's coalition partners are extremely unpopular governments. Morocco's monarchy, Egypt's despotism, Syria's dictatorship and Turkey's military rule (with transparent civilian fronts), are the US's best allies now but obviously the majority of the population in all four of these countries was opposed to the US war on Iraq. In Egypt the government closed the schools and canceled sporting events in the fall of 1990 simply because it was terrified of the people gathering in one place. In the October 1990 election, the government banned the main opposition parties, who had all condemned the US occupation of the Gulf.

The Gulf states' rulers themselves are especially vulnerable after the war, since they are almost universally despised for their greed and subservience. They will have to rely on the US even more than before to protect their oil fields from sabotage, their borders from foreign attack, and their citizens from "dangerous" political ideas.

Energy capitalists are planning oil price increases over the next decade but the political struggles in the oil producing areas could cause this renewed experiment in price hikes to blow up in their face, even though these increases are going to be accompanied by US and European troops. Nearly all the countries in the Mideast were colonized by European powers and who can forget the bombings, the beatings, and the humiliation? The present US-led occupation is nothing more than a return to a banished era.

Though some alchemical mixtures of oil and blood can create enormous profits, others can touch a revolutionary flashpoint.

## Notes

<sup>1</sup> Edward Morse, "The Coming Oil Revolution," *Foreign Affairs*, Winter 1990, p. 49.

<sup>2</sup> Literature on the international oil industry is filled with references to the relative lack of investment in the 1980s and a decline in the relation between output and capacity. Pierre Terzian, for example, notes, "Without a rise in energy prices we would have reached a situation where there could well have been a shortage of oil production capacities and probably of gas as well within three or four years, by 1995 at the latest." *Journal of Palestine Studies*, Winter 1991, p. 102. See also, Dimitrio Koutsomitris, "Petroleum Price Trends to the Year 2000," *Opec Review*, Autumn 1990.

<sup>3</sup> *New York Times*, 16 September 1991.

<sup>4</sup> Morse, op cit, p. 36.

<sup>5</sup> Ann Reilly Dowd, "Oil from Russia," *Fortune*, 22 October 1990.

<sup>6</sup> One illustration, among many, of Iraq's debt crunch was its halting of loan payments to French banks in October 1988. Iraq defaulted on already rescheduled debt and even on debt ineligible for rescheduling. It owed French banks \$4 billion. *MEED*, 10 February 1989, p. 14.

<sup>7</sup> Kiren Chaudhry, "On the Way to Market: Economic Liberalization and Iraq's Invasion of Kuwait," *Middle East Report*, May-June 1991, p. 14.

<sup>8</sup> Marion Farouk-Sluglett and Peter Sluglett, *Iraq Since 1958: From Revolution to Dictatorship* (New York: I.B. Tauris and Co., 1990), p. 230. Also see: Joe Stork, "Class, State and Politics in Iraq," in Berch Berberoglu, ed., *Power and Stability in the Middle East* (London: Zed Press, 1989); and 'Isam al-Khafaji, "Iraq's Seventh Year: Saddam's Quart d-Heure?," *Middle East Report*, March-April 1988.

<sup>9</sup> *MEED*, 12 May 1989, p. 15.

<sup>10</sup> *The Economist Intelligence Unit Country Report: Iraq*, No.2, 1990, p. 12.

<sup>11</sup> Kiren Chaudhry, "On the Way to Market: Economic Liberalization and Iraq's Invasion of Kuwait," *Middle East Report*, May-June 1991. Also see Sluglett and Sluglett, *Iraq Since 1958*, pp. 277-80.

<sup>12</sup> For IMF-aligned views on austerity and recolonization in the Mideast, see: Said El-Naggar, ed., *Privatization and Structural Adjustment in the Arab Countries* (IMF, 1989).

<sup>13</sup> Iraq's reconstruction plans were perhaps the Mideast's largest: \$6 billion for the oil industry in order to double its export capacity and \$40 billion over a five year period for general industrial construction. *The Economist*, 30 September 1989.

<sup>14</sup> Gen. Manuel Noriega's regime was overthrown by the US in 1989 because of a similar incapacity to impose IMF austerity plans on Panama. His power rested on the state sector and on providing a decent standard of living to a sizable section of Panamanians. Like Hussein, his attempts at "structural adjustment" in the late 1980s were complete failures. As in Iraq, the US directed its firepower at the poor during the attack and afterwards retained the previously existing police structure.

<sup>15</sup> See *Village Voice*, 5 March 1991. The same article describes how the US government encouraged the Kuwaiti ruling class to adamantly oppose Iraqi state demands for a cancellation of its debt and a renegotiation of the ownership of the Rumaila oil field. In November 1989, the chief of the Kuwaiti monarch's security forces visited CIA headquarters outside of Washington, D.C., and met with the CIA's director, William Webster. The record of this meeting was found in Kuwaiti government files after the Iraqi invasion. The Kuwaiti security head reported that "we agreed with the American side that it was important to take advantage of the deteriorating economic situation in Iraq in order to put pressure on that country's government to delineate our countries' common border."

<sup>16</sup> *Guardian*, 5 June 1991.

<sup>17</sup> John Pilger, *New Statesman and Society*, 12 April 1991, p. 6. See also *Ten Days That Shook Iraq: Inside Information From An Uprising*, BM Cat, London, WC1N 3XX, UK, and *The Kurdish Uprising And Kurdistan's Nationalist Shop Front And Its Negotiations With The Baathist/Fascist Regime*, BM Blob, London, WC1N 3XX, UK. In the war with Iran, Hussein's tactic was to put the expendable population, like the Kurds, on the frontline while keeping the more reliable and better-paid units to the rear. The purpose of the "elite" units was not to fight Iran so much as to prevent other

Iraqi units from deserting. Many of the frontline troops surrendered to Iran rather than fight (which accounts for the fact that at the end of the war Iran had 75,000 Iraqi prisoners of war – seven times the number of Iranian POWs). Cf. Dilip Hiro, "Chronicle of the Gulf War," *MERIP Reports*, July-September 1984. p. 8.

<sup>18</sup> See Hanna Batatu, "Iraq's Underground Shi'a Movements: Characteristics, Causes and Prospects," *The Middle East Journal*, Autumn 1981.

<sup>19</sup> *MEED*, 26 July 1991, p. 4.

<sup>20</sup> Morse, *op cit*, p. 46. Emphasis ours.

<sup>21</sup> *MEED*, 22 February 1991.

<sup>22</sup> *Labor Solidarity*, quarterly publication of the Labor Committee on Iran (PO Box 241412, Los Angeles, CA, 90024), spring 1991, p. 3.

<sup>23</sup> Jon McLin, *Social and Economic Effect of Petroleum Development* (Geneva: ILO), p. 55.

<sup>24</sup> Mary Ann Tétreault, *The Organization of Arab Petroleum Exporting Countries* (Westport, CT: Greenwood Press, 1984), p. 98. See also Abdel Majid Farid and Hussein Sirriyeh, eds., *The Decline of Arab Oil Revenues* (London: Croom Helm, 1986), p. 102. In 1986, Yorke and Turner foreshadowed the events of 1991: "In the future the Gulf governments can be expected to deport any known political activists and to terminate the permits of as many Lebanese, Iraqi, Syrian and Palestinian workers, as well as other workers of Iranian origin, as they feel is politically possible."

<sup>25</sup> Peter Woodward, *Oil and Labor in the Middle East: Saudi Arabia and the Oil Boom*, (New York: Praeger, 1988), pp. 46-49.

<sup>26</sup> *MEED*, 7 June 1991.

<sup>27</sup> *MEED*, 1 March 1991.

<sup>28</sup> *Ibid.*, p. 9.

<sup>29</sup> "Saudis Back in Control," *Financial Times*, 14 March 1991.





## 4

# THE POST-ENERGY CRISIS US WORKING CLASS COMPOSITION

*Midnight Notes Collective*

*Night City was like a deranged experiment in social Darwinism, designed by a bored researcher who kept one thumb permanently on the fast forward button. Stop hustling and you sank without a trace, but move a little too swiftly and you'd break the fragile surface tension of the black market; either way you were gone, with nothing left of you but some vague memory in the mind of a fixture like Ratz, though heart or lungs or kidneys might survive in the service of some stranger with new Yen for the clinical tanks.*

— William Gibson, *Neuromancer* (1984)

AS A RESULT OF THE OIL PRICE RISES IN THE EARLY 1970s, THE NEW MASS OF oil-based investment capital allowed capitalists to intensify the computerization of factories in North America, Western Europe and Japan. Unlike the Keynesian/mass worker strategy which entailed gradual increases in productivity at a rate higher than wage increases, the strategy of accumulation that underlay the oil shocks of the 1970s was to increase mechanization as quickly as possible, and in the US how fast wages could be decreased.

The primary US targets of the first oil shock were the welfare-waged, the unemployed and the low-waged, unstably employed. Their income rapidly succumbed to inflation as they lacked the power of unionized sectors to gain wage increases that could match price increases. The success of this first wave of attack, however, weakened the working class as a whole and enabled the second oil price shock and subsequent

capitalist strategies to succeed in its next target, the stable, unionized industrial workforce.

Starting with the recessions/depressions of 1979 and 1981-83, capitalists in the US systematically eliminated unions (a strategy thus far not even attempted in much of Western Europe). The number of work stoppages in the US began declining after 1973, so that by 1981 they were 35 percent of their 1974 level. Then, from 1981-82 until the present, the number of work stoppages fell by more than half – which meant that workers virtually ceased striking altogether.<sup>1</sup> Unlike the mass-worker formula, which was able to incorporate trade unions into the very process of capitalist planning and utilize them to enforce contracts on the rank and file, capitalists are now trying to create a non-unionized workforce in the US. Collective bargaining appears nearing its end even as the old union bureaucracies plead for its return.

The US government proudly released statistics in February 1991 showing that industrial production and productivity had not declined over the past two decades.<sup>2</sup> Indeed, from 1973 to 1986 the capital intensity of production nearly tripled, after only regular and steady increases prior to 1973.<sup>3</sup> However, in trying to disprove the de-industrialization idea, the government report failed to mention that the number of industrial workers had declined both relatively and absolutely. Those who remain in the factories are working with higher amounts of constant capital, but as a class US workers experienced a very real de-industrialization process in the 1970s and '80s: jobs disappeared, factories closed, towns gutted. Meanwhile, major investments in industrial production were made in other countries where the wage was much lower and unionization and environmental regulations virtually non-existent.

The success of the capitalist assault in the US is seen in the average real weekly wage. After yearly increases, the wage rate in the US began falling in 1973. The average weekly wage dropped 20 percent over the next 15 years, and is now at late 1950s levels. Moreover, the measure of wage dispersal, i.e., the gap between the lower and higher paid workers, increased dramatically. Chronically high unemployment rates – at least as compared with the 1950s and '60s – have not meant less work. To the contrary, while the base level of unemployment remained high, the work-week and -year lengthened in the 1970s and '80s. The percentage of adults with a waged job rose rapidly. From 1980 to 1990, the workforce increased by 20 percent, and the percentage of people over age 16 in the waged workforce reached an historic high of 66 percent. Women now are typically waged laborers, not unwaged house-workers.<sup>4</sup> The two-parent,

single-waged family is becoming as endangered as the spotted owl. Housework, meanwhile, continues to await the weary worker, usually the woman, on return home – assuming there is a home to return to.

The huge increase in jobs in the de-industrializing US has been in the amorphous, deceptively-named “service sector,” a label which hides its most important characteristics. It includes everything from the production and repair of labor power itself (schooling, medicine, restaurants, entertainment) to information to real estate to insurance and banking. Its wage disparities are enormous, rising from sub-minimum wage illegal-immigrant nannies, gardeners, field-hands and sweat-shop laborers to teenage McDonald’s food processors to data-entry processors up to computer programmers and doctors.

A great portion of the work is housework that has been removed from the home and located in the market: wages for housework, but outside the home so productivity can be better monitored and intensified. However, “housework” itself has taken on new meaning through a return to cottage industry and the putting-out system. This includes both garment-work and similar forms of labor-intensive production, and the use of computer networks so workers can stay at home most days and not commute to the office. Thus, reproduction increasingly takes place outside the home while production occurs within.

One thing that has not changed is the ratio of the wages of African Americans to those of European Americans: it remains 3/5, continuing to parallel the Constitutional proclamation that Black slaves were 3/5 of a person. Wages for Latinos are only slightly higher. (Women’s ratio has risen from 3/5 to 7/10 in the 1980s.) Yet even in this continuity, change has wracked urban Black and Latino communities. Intensified wage dispersal and the possibility for some African Americans and Latinos to obtain higher-waged jobs outside their communities (“integration” in practice) have left behind vast tracts of low-waged, welfare-waged and unwaged people of color, ever more isolated from regularized, legal wages.

Capital’s offensive and proletarian decomposition have provided an expansion for the fastest-growing sector of the US economy, “security.” The category includes all security for “private property,” the mystifying term that lumps together the worker’s toothbrush and the capitalist’s nuclear power plant. Thus, employment in this area ranges from guarding homes (even lower-middle-income housing developments that are walled off from their surroundings and monitored by television) to guards in factories and warehouses to prison guards. Not included in these statistics are the hundreds of other forms of policing, i.e., tenant’s patrols, Guardian

Angels, the Fruit of Islam (the security wing of the Nation of Islam), to name but a few.

The young men in these areas, and increasingly young women (incarceration rates for women have increased ten fold over the decade), remain subject to legalized slavery. The US Constitution, Amendment XIII, Section 1, reads, "Neither slavery nor indentured servitude, except as punishment for crime . . . shall exist within the United States . . ." In Washington, D.C., nearly half the young African-American men are under the direct control of the courts.

"Security" also means more people in prison, and on death row. The adult prison population of the US more than doubled in the 1980s, rising to one million incarcerated – the highest per capita of any nation. More than 2.7 million persons are on probation and parole, which, combined with an adult prison population of around one million, meant that more than two percent of the entire US population was under some form of "correctional supervision."<sup>5</sup> Protection against theft, however, is not the basis for the expanding prison industry. State and local police, courts and prisons cost \$50 billion in 1987, against a total estimated theft-loss of only \$10 billion. Rather, the growth in the security industry is a form of social militarization designed to protect constant capital from workers, separate stable workers from unstable, and confine the unstable in the equivalent of bantustans. Within the strategy of pushing the limits of low wages and high fixed capital, the question of the precise control over workers is preeminent. Thus, everything from blood and urine to the living room and bedroom to the garbage on the curb are the terrains of various forms of police intervention.<sup>6</sup>

Adding to the decomposition/recomposition of the working class is immigration to the US, which in the 1980s reached the highest rates since the first decade of the twentieth century. Well-educated professionals – now able to legally purchase residency for a mere \$1 million – and illegal immigrants fleeing US-organized military and economic terror in Latin America and Asia represent the two poles of the immigrant population. The estimated influx ranges from 5.8 million (the official numbers, double the official count of the 1960s) to 10 million people.<sup>7</sup> Immigration is matched by within-US migration to the south and west as the US mirrors the vast planetary enclosures and displacements of 1980s. [See "Introduction to the New Enclosures."]

During the 1980s, social and political interactions in the US also have changed. They have been subjected to the same speed-up as the office and the factory, the same attempted domination by electronic simulations and

information. In general, the replacement of living labor with dead labor was but one part of the political decomposition of the US working class. Working class circuits of struggle; social and political structures; relations and hierarchies; expectations; relationships with constant capital, the owners of capital and the state; culture, time, and wealth – all were subject to withering attack. Perhaps the best literary expression of the decomposition is in the cyberpunk vision of high-tech immiseration full of virtual reality machines, pods for sleeping, plastic food, and body-parts markets.

In sum, the US working class has been immiserated, chopped and re-chopped and shuffled, pacified with respect to its bosses, made to work harder for less, and more intensively divided within itself along racial and gender lines. As recession-depression enters its second year in the winter of 1991-92, a palpable anger suffuses political and social interchanges, most extremely expressed through random murders in post offices, restaurants, parking lots and freeways. Race, gender and class rage, often turned in on itself, has intensified in the 1980s. The working class appears ready for explosion – or perhaps a disastrous implosion.

That this class-in-recomposition has not yet found political forms with which even to defend itself, never mind take the offense against capital, seems all-too-painfully obvious to those of us living through it, though a plenitude of “movements” have continued or emerged. This rainbow of efforts, organized primarily around identity politics, reflects simultaneously the shattering effects of decomposition and, positively, the continuing refusal of sectors within the working class to accept subordination to the politics of the white male trade unions and parties. However, these fragmented efforts have failed to grasp in practice two essential facts: capitalism is a system of exploitation affecting all sectors of the multicultural working class; and the class structures of the 1950s and '60s cannot be reconstructed.

### **Impact of the Gulf War on the US Working Class**

Making the US wage hierarchy even less equal was one goal of the US invasion of the Gulf region. The US troops in the Gulf ensured a lower standard of living for themselves as well as for most of the rest of the US working class. That the sands of Kuwait and Iraq were safer than North Carolina chicken-processing plants or the streets of New York City could not have been known in advance by the soldiers. Thus, the war was a major test of the success of previous wage-lowering strategies: Was the US working class, as a whole, sufficiently defeated to be willing – even eager – to die in exchange for nothing?

Working class people were, in fact, offered nothing in exchange for their lives – unless victory parades count – unlike other wars that offered full employment or could even be justified as national salvation. Even the deals offered to reservists had been cut just before the invasion. For example, tuition payments for reservists were declared taxable income, sharply reducing the value of the tuition payments and forcing the reservist students to take on (another?) part-time job.

If US workers will volunteer to die for low wages, then the US state can use its Brazilianized labor force as mercenaries to control unrest around the world, while its remaining high-tech production continues to focus on the military hardware to be used in those wars. For this to occur, social and individual wages in the US must remain low for most of the working class. Vietnam showed that workers who have secure wages will not readily fight for capital.

The higher oil prices that capital plans to extract from the working class in the 1990s means lower real wages, unless, in the US as elsewhere, there is a struggle to prevent that from happening. Military expenditures will remain high. Sooner or later, taxes will be levied to pay for the war and for the interest on the bonds sold over decades to raise funds for the military. There will be fewer social services, less medical care, more homelessness, and declining educational quality and opportunity.

Current debates over US education reveal a great deal about the rhetoric and reality of US capitalist planning. One much-touted set of proposals urges the US to create a “high-skill/high-wage economy” by producing workers who are literate and numerate, can work cooperatively, and solve problems and use their creativity for the job. If these workers can be brought into being, the theory goes, business will invest in high-tech production and services, which will enable the high-wage economy. The purported models are Germany, Sweden and Japan.<sup>8</sup>

To be successful, this proposal will require huge investments in the social wage: in education, child care, maternity and paternity leave, medical care, housing, transportation, vacation time, and so forth. After all, German, Swedish and even Japanese workers generally have significantly more and better of these social wages than do US workers. In this model, a reconstructed educational system is required to directly produce the high-skill workers. Thus, big businesses (e.g., Motorola, IBM, Xerox) and big foundations (e.g., MacArthur, Pew, Rockefeller) are funding reports, think-tanks, experiments and models for restructuring education, while candidates for the Democratic Party presidential nomination all purport to have strategies to re-establish the US as a high-

wage zone.

On the surface, corporate interest appears genuine; but we must ask: Is this real? In fact, even before the Gulf invasion, yet after the fall of the Berlin Wall, there were continuing social service cuts, no expansion of social programs, and escalating state attacks on people of color and women. Does not Bush represent the interests of the majority of large capitalists? Investment patterns also would indicate, by and large, that business does not believe that the workers in the US can and will become a high-skill work force. The Center for Education and the Economy's survey of US business found only five percent were trying to implement the high-skill, high-wage strategy; the rest were continuing a process of de-skilling and shipping de-skilled segments of jobs out of the country to low-wage nations. Capitalists remain consistent in their opposition to raising taxes on those who have money – that is, on themselves in personal and corporate guise – to finance the changes in the social service systems that would be required to have a high-tech/skill/wage economy. Business organizations also have not taken the lead in promoting conversion to a non-militarized economy. Finally, as no business of note opposed the US military expedition to the Gulf, they clearly do not oppose the attack on the US working class that the expedition carried out. This is no way to launch the high-wage economy. As for the political candidates, their plans end with their crocodile tears over the condition of the “middle class.”

In fact, the current social service cuts and wage reductions are but one more step in the process which began with the first oil-price jumps. The refusal of big business and government to put its money where its mouth is on matters of what they would term “human capital” investment indicates they still do not believe the US working class, in general, can or will become productive high-tech workers. The continued attacks on civil and women's rights at a time when people of color will soon be one-third of the labor force and women one half further reinforces this point. We must conclude that, overall, US capital has decided not to invest seriously toward the high-wage economy. Hastened development of the low-wage option – of underdevelopment – is the all-too-likely direction of most of the US economy.

Unless prevented, the low-wage option will guarantee enough desperate women and men to fill an army whose actions, if successful, will continue to ensure a steady lowering of the living conditions of US workers – to say nothing of those at the other end of the gun. It likely will reinforce the racial and gender hierarchies of the US. As the top and middle

shrink, competition will exacerbate, bringing increases in racial violence; and as living conditions worsen, unwaged labor, particularly that done in the home and community by women, will also increase, while those lucky enough to have a job will face early-industrial era work-weeks.

### Notes

<sup>1</sup> *Statistical Abstract of the United States* (Washington, DC: US Bureau of the Census, 1990), p. 407.

<sup>2</sup> *New York Times*, 5 February 1991.

<sup>3</sup> Anwar Shaikh, *The Current Economic Crisis: Causes and Implications*, pamphlet published in 1989 by Against the Current, 7012 Michigan Avenue, Detroit, MI 48120. See p. 12.

<sup>4</sup> In 1970, 43 percent of adult women were in the waged work force, by 1988 it was 57 percent, including more than 70 percent of women aged 20 to 54. See Juliet Schor, *The Overworked American* (New York: Basic Books, 1992), and the *Statistical Abstract of the United States 1990*, p. 378.

<sup>5</sup> See US Department of Justice statistics. Figures are from 1988.

<sup>6</sup> Data for the discussion on security comes from *Dollars and Sense*, September 1991 and various US Department of Justice publications. For an analysis of policing in the US, see "Policing US," in Midnight Notes No. 8, *Outlaw Notes*.

<sup>7</sup> See *Statistical Abstract of the U.S. 1990*.

<sup>8</sup> National Center on Education and the Economy, *America's Choice: High Skills or Low Wages* (Rochester, NY: NCEE, 1990), is the most prominent study. See also publications of the Business Roundtable and the National Alliance of Business.



## 5

### SOME PHOTOGRAPHS THAT I WAS NOT ABLE TO TAKE

*In 1982, following the Israeli invasion of Lebanon and the massacre of Palestinians at the Sabra and Shatilla camps, a comrade from London set off on small journey of investigation. What follows is his account.*

*Red Sea, 3.xii.82*

IT'S SEVEN IN THE EVENING ON BOARD THE M/S SINDIBAD, REGISTERED IN JEDDAH and heading south from Suez, down the Red Sea, to Aqaba. The sun has just gone down in a blaze of color behind the hills. I won't try to describe it to you because in fact I was asleep when it happened — but if it was anything like the setting sun on the road from Cairo last night, it must have been spectacular. The last I saw of it was as I looked back through the window of the seven-seater Peugeot taxi and saw four Egyptian army tanks returning, line astern, from their evening maneuvers. They sent up billows of sand behind them, and were silhouetted against the globe of the sun as it sat red on the horizon. When the sun goes down, there's a short period of orange glow. A fine sight.

When I was in London I spent a month trying to find out if there are ships on this route. Well, there are. At least one a day. But the reason that you don't hear about them is because they're only engaged in carrying workers, not tourists. One way that Egypt solves its unemployment problem is by exporting labor — and this ship is a floating transporter of labor. Out of a population of something like 46 million, about five million emigrate to find work all over the Arab world; from Iraq to Saudi and beyond. It's strange, this ship, because at other times in the year it does carry American tourists (on cruises), it's a little bit luxurious — but now

it's got 750 passengers, none of whom speak more than a few words of English (we batter away at it, and slowly I'm learning Arabic). And out of those 750, I have seen only two women, 748 men. And an all-male crew (Greeks, Sri Lankans, all sorts). And even the moon outside is male (unlike most European languages, in Arabic, they tell me, the moon is male and the sun is female).

### Travelling Workers

I've been trying to figure out where the people come from, and where they are going. A group of five men from Cairo are going to Baghdad for work. They have families in Cairo. They expect to be away for 10 months. They don't have particular trades. Will turn their hands to anything. Another group, of four, are also going to Iraq, to work in the oil industry. One is a driver. Another group, of two, are Palestinians, living in Jordan (one driven out in '48 and the other in '67). They are truck drivers, carrying fruit on a Mercedes truck all over the Arab world, from Lebanon to Saudi. The bar is full of people. From behind the counter Arab tea and cheese rolls are sold, and a few soft drinks. No alcohol. The air is thick with cigarette smoke. Most people are dressed in Arab dress – varieties of headscarves, long robes. You can tell by looking at faces and hands that many of them are farmers, country people. The same poor sods who spent last night out on the pavements next to the mosque and custom house of Port Tawfiq. The same people who are pushed and shouted at by the lowest police constable. The same people who wait – wait their turn, wait in line, wait in huddled groups, wait looking through the gaps in the dock gates, wait for some official to deign to notice their existence. Always waiting. The people of the earth. Their faces and their clothes are the color of the earth. Dark and brown. On board ship it's as if they've been plucked from their element. Blue and white foaming sea-water is not their element. The ships engines pound beneath them. Most of these country people are travelling deck class. A classic scene of migrants of any era – except, these are all men. They squat on the rear deck, under a canopy ringed by ridiculous colored fairy lights, sitting on mats or blankets. As night comes on, they pull on more layers of clothing, wrapping themselves in blankets and winding long scarves round their head and face to keep off the following sea breeze. Their luggage is battered suitcases, splitting at the seams. Or plastic hold-alls. Zips sometimes broken. Held together with rope. Some have no baggage at all. When they lie down to sleep they take off their plastic sandals and use them as a pillow. Others have plastic bags with eggs and bread for the journey. Periodically one or two get up and move to the

port side of the boat. They take off their scarves and spread them on the deck. Then, facing Mecca (which is getting closer all the time) they begin their prayers. But this is only one or two, from what I've seen. The rest talk among themselves. Or stare out into the black night. Some also read. And on the far shore a brilliant red glow shows an oil well flaring off gases. Fore and aft ships pass us in the night. And overhead the stars are clear, clear, clear.

The two Palestinians, as I say, are truck drivers. They have been driven out of their homes by the Israelis. Driven out by economic necessity. One of them says that, living in Nablus, he would (by law) have to return there every night after work. So, if he went to work in Tel Aviv, he would have to get up at 4:00 a.m., and then the same journey back. By the time he gets home he would be dog tired – no time for his wife or kids. So, instead, he decided to move to Jordan, with his wife and six kids, and work as a truck driver all over the Arab world. The Palestinians have been driven from their homeland both by the economic pressure and by military terror. Their case is known internationally. There is an army of refugees, driven from one country to another. But what about the other army of refugees – the international army of emigrant workers? When I saw a hundred or so of these country people marched from the Port Tawfiq immigration office towards the ship, laden with bags and bundles, they could almost have been refugees – except that there were no women, no young children and no old men. Those have been left behind on the land, to make some sort of living. These were raw labor power; country lads. I watched them as they clustered round the space invader machines and pinball tables next to the Purser's office on B-deck. They stood and stared. These were not people of the city. And I wondered what traditions of solidarity they take with them from their villages of origin – what links and bonds of helping each other, maintaining contacts to shield themselves from the worst of the exploitation they will face. By what process will they come to see themselves as "workers of the world," and by what process will they organize themselves into trade unions and political parties of the working class? For as long as the rich Arab masters can draft in this army as and when they want them, keeping them on short contracts, working long hours, for low wages, this process of organization will take a long time. But then, Henry Ford has also, for decades, maintained a policy of importing almost raw country labor into his factories, from every country of the world – and in the end, they too have organized (well . . . just about!).

The point I would make is that the Palestinians, when they are driven from their land, have world support and solidarity. But the Egyptian farm

laborer who is driven from his land, driven away from his family, driven to other countries, has no face. He just moves, as part of that faceless mass of millions who are uprooted by economic imperatives. It's almost as if he doesn't exist. He doesn't make history, or make culture, or leave his name in lights. His archaeological remains in a few hundred years time will be virtually nothing – just bones and rags. But without him nothing would be built, nothing made. He, and millions like him, from every nationality.

There's something very powerful about the seven men, dressed in head scarves and traditional Arab clothes, sitting cross legged in a circle on the rear deck, talking quietly and smoking as the black sea rushes past into the night, and home gets further and further away.

### *Aqaba, 4.xii.82*

You may wonder why I am writing on the reverse of this writing paper. Well, it is headed Lotta Continua. And since we are sitting on board ship waiting for passport clearance, and since the captain of the m/s Sindibad is an Italian, and since Lotta Continua is (or was) a communist organization, I thought it prudent, since the captain stops by occasionally to chat with me while we wait . . .

We docked at around 11:00 a.m. at Aqaba. It is now approaching 3:00 p.m. Aqaba is the port of unloading of many of the supplies that are then delivered to Iraq to help with her war effort. Containers, new military trucks and jeeps, steel piping and bags of cement are unloaded at speed off other ships. But that most precious of "economic inputs" – the cargo of Egyptian laborers carried by the m/s Sindibad – has to wait, and wait, and wait. They wait, sitting cross-legged on the rear deck or hanging over the portside railings. This is just another of the ritual humiliations that await this mass of living labor.

Another example: from the rear deck they were called in, 20 at a time, and regimented in line to buy their bus tickets for Baghdad or Amman (1200 kms to Baghdad, probably about 24 hours still to travel). They pay in Egyptian pounds, and receive their change in Jordanian dinars. No small change changes hands. This means that they are being robbed most royally. And even if it is only 50 pence per person that is being fleeced, that would amount to something around £300. The money changer's hands move fast – like a magicians sleight of hand. And the ship's stewards bark at the men, push them, shove them, and propel them out of the door before they have time to protest. In general, the way Egyptian lower officials bark at and lay hands on poor people is enough to warrant

a smack in the mouth. And yet these country people take it as it comes.

### **The Treatment of Egypt's Migrant Workers**

On board are eight Jordanians, one Palestinian passport holder, one English (myself) and the rest are Egyptians, the vast majority going to look for work in Iraq or Jordan. The Purser happens to mention that eight of them have already been blacklisted, refused entry. I ask why. He says: "Suppose your name is Ahmed Ismail Ahmed – then your first name is the same as your last name. They reject anyone with names like that." Again I ask why. He does not know. So, even supposing that only eight are turned back, that is about 1.5 percent of this ship's cargo of living labor – people who have scrimped and saved to get their fare together, and who have already endured 20 hours of travel on deck. Multiply that by the number of ships per year that make this journey, and you have a lot of the poor sods.

Some time later: having finally got my visa stamp, I disembark. The ship's first officer – an Italian from Venice – accompanies me to the dock gate, to avoid hassles with the police. He explains further. Sometimes the ship will carry up to 1,200 Egyptian laborers, depending on the season. If they are working in Saudi, for example, when they take holidays they prefer to take them in Ramadan, because the fasting is taken too seriously in Saudi. He himself has seen up to 30 men per trip rejected and turned back at passport control. "They have a blacklist, and if your name is similar – similar, not necessarily the same – as someone on that list, they turn you back." He tells me to look how they are being treated by the Jordanian passport officers. As I turn round, one of the Egyptians, in a blind fury, was about to hit a uniformed Jordanian, but was held back by two friends. Presumably he had been refused entry. The first officer explained: if they are refused entry, they continue on board ship to Jeddah, then back to Aqaba, and finally back to Suez. They have no money to pay a fare, so they're made to work on board ship.

But, he says, the way they are treated here is nothing to the way they will be treated later in their voyage. "We don't ask too much, but we've heard of some getting shot." Also, the Jordanians don't like them because they're only in transit through the country. In fact we know that some of them may go and fight – either for Iraq or Iran – in the war. It's said that Khomeini pays \$1,000 a head for foreign recruits. "Not all of them do this, obviously. But you can tell the ones who will. They look bowed down. They look as if they're afraid of nothing."

By this time we had reached the dock gate. We said our farewells, and

I went and negotiated a fare into town with a man with several gold teeth and a battered white taxi. He charged me over the odds; but what the hell, I was glad to get away. It was only then that I became aware of an extraordinary sight. Down the lorry-ramp from the ship, onto the makeshift jetty, came dozens of Egyptians, suitcases and bags on their shoulders and half walking, half running. Before they could reach the dock gate, they were headed off by a semi-official. They were made to go and line up alongside two big stacked containers. Then, when sufficient numbers had arrived, they were marched off, literally at the double, in single file, to the coaches that were to take them to Baghdad. They were piled willy-nilly into the coaches. At one point, the driver of one of the buses needs one extra to make up numbers. He goes over to the group about to board another bus. He says, in Arabic, "I want one single person for Baghdad." Nobody steps forward. They all travel in groups of two or three, friends or family, for support and solidarity along the road. The driver goes up to them, lays hands on one of them, and drags him off to his bus. His companions raise their hands in helpless protest – one eye on him being dragged away, and the other on their own bus which might leave without them if they go to retrieve him. Resigned, they shout after him to wait at such-and-such a place in Baghdad. But then, with the vagaries of travel, they might miss him altogether, or have to wait days for him.

I was reluctant to photograph men on the boat. I do not like photographing poverty and misery. My camera itself possibly cost as much as some of these men earn in a year. But seeing them being herded off the boat like so many cattle, I raise my camera and took a first photograph. Behind me I hear a voice shout "Mister." I raise my camera a second time and take a second shot. I turn round to footsteps running behind me. The uniformed corporal at the dock gate arrives, angry: "Forbidden to photograph." That my friend, is why I have written you this "verbal photograph."

On the way down the road to Aqaba town, on the right, there is the Port Passenger Departure Terminal. In fact it looks more like a concentration camp for these departing workers. I shall perhaps pay it a visit tomorrow. Meantime, in the company of an American and a travelling Frenchman I have booked into a beach hotel among the palm trees, where the sea laps up against the verandah, and we can sit and watch the Russian, Greek, East German and Chinese ships unload their merchandise for Jordan and for the Iraqi war effort. Pleasant enough, with the sea breezes blowing and the sun setting behind the hills.

*Aqaba, 6.xii.82*

It's been one of those nights! I thought someone was playing a flute (loudly) early in the morning. It turns out it's the sound of a rusty iron crane on the Jordanian army jetty in the harbor. Then, in my sleep, I heard the whine of an approaching mosquito. Not wishing to be eaten alive, I reached for my piece of old net curtain to wrap round my head. False alarm – it was a kitten meowing (there's a fish restaurant in the hotel – plenty of cats!). Finally, all night I was convinced that some loony was chucking things onto my bedroom roof. This morning I realize that it's dates dropping off the date palm that grows high outside my door!

Anyway, after a wild and windy day yesterday, where the wind whipped the sea into a foam and filled the inland valley with the blackness of blown sand, today is a gentle sunny day. The back end of the hotel runs directly down to the sea, with a little protecting wall and tables, which is where I'm writing this while waiting for an early morning cup of tea. In the summer the place is also a diving center, where (e.g.) Germans come to dive and look at the fabulous Red Sea corals and fish (which unfortunately, I won't be seeing, because it's a bit too chilly).

**Aqaba – Boom Town**

Aqaba today is a bit different from when T.E. Lawrence came down from Wadi Rum on camel-back to take the city. It has developed powerfully as a port. Since Jaffa and Haifa were taken by Israel, it is Jordan's only port, along a 12-mile strip of territory. Further down, on the left of the bay as I look, is Saudi Arabia and desert. On my right is a five-mile strip of Israel (and the town of Eilat), leading down to the newly-fixed Egyptian border. A good place for territorial disputes!

From where I sit I can see about 35 merchant and container ships from all over the world (several from China, some from Greece, Russia, East Germany, India, America, Saudi . . . all over). Remarkably, the sea water is very clean, despite all this trade. Most of the unloading is done by the ships' own cranes, into barges or onto the quayside – there are few big jetty-side cranes. The (state-run) docks run for about three miles down the coast. It appears to be a militarized area (and does in fact deal in military hardware, both for Jordan and for Iraq, whose main port Aqaba now is), with armed soldiers at the gates. I saw the afternoon shift of dockers going into work yesterday, but was not quick-witted enough to find out where they come from (given that Aqaba was tiny town 30 years ago, I presume that the workforce has moved here), what their wages are, what is the

extent of unionization, etc. Suffice to say that manual laborers in the town (e.g., weeding and watering palm trees along the port highway) seem to be Egyptians, judging by their woolen headscarves, or their bright-colored paisleys.

In fact, at one level the town is extremely prosperous. Shops are well stocked with good cheap produce from all parts of the world (textiles from Turkey, blankets from Spain, shoes from China, baby milk from France, stereo systems from Japan, etc.). The main car in town is the Mercedes-Benz – many new and shiny – many of which serve as taxis too. Aqaba obviously serves the needs of seamen coming ashore from the boats (I don't think I've ever seen so many barbers in one small town); also of tourists and the foreign skilled and supervisory labor brought in to build the town's infrastructure. For example, the extension to the town's power station is planned by a German firm and built by Ansaldo of Italy. Similarly, new jetty-work is being done by Wimpey – and on the Wimpey site I was surprised to see a lot of Sikh welders, fitters, etc., in their colored turbans. Local money changers make a point of advertising favorable rates for the rupee, and a local restaurant offers a lamb curry "just like home." The Sikhs must have been here for a while!

At another level, though, the poverty is here. Away from the gleaming white of new buildings and houses going up, down by the beach (between the port highway and the sea) is a long grove of date palms. In among these date palms people live, near the old mosque and the remains of Aqaba's old castle. They have sheep and goats in little enclosures fenced by a wall of date-palm fronds. In places, the sandy earth has been formed into little patches of cultivated land, irrigated by small channels. The houses, though, are a little shanty town. The walls are built of old pallets from the docks, or from breeze block, fenced with palm fronds. The roofs are, in most cases, not even from corrugated iron, but cardboard from boxes (of foreign imported fridges, freezers, washing machines, etc.) or sliced-open plastic sacks that previously carried chemicals, etc. These makeshift roofs are weighted down with old timber, clods of earth or lumps of rock. And who are the people who live here? I don't know. Suffice to say that I saw no women (not that this is anything new for me on this trip), and that I saw a couple of men squatting outside their huts doing their own washing and hanging it out on the line. I would imagine that the majority who live here are single, migrant men, here for the work, and working as unskilled labor. At any rate, the prosperity of Aqaba town doesn't appear to have done much for their living conditions.

The port area is well organized, clean, smart and efficient. In other



words, the container-stacking area is surrounded by a high fence with no holes in it, topped by barbed wire. Inside it is evenly tarmac-covered, and the tarmac is clear of dust and sand. Two new container straddle-cranes service the area. All this is very distinctly different from anything I saw anywhere in Egypt. The same goes for the military forces, which exercise regularly in the port area, and which both uniforms and a style of operating clearly derived from the British army.

A few other bits and pieces that are striking; the apparent absence of a bakery in the town's central area; a brand new branch of Grindlay's Bank; the presence of several large US-style hotels (one reputedly charging \$50 a night!); a tourist beach that you can only get to after paying £1.70 (to keep out local people and poorer tourists); the relative silence of military operations on the Israeli side (no helicopter exercises, no overflying jets, although apparently you periodically hear the gunfire of maneuvers, and the Israeli navy maintains gunboats in their bit of the Gulf).

They tell me that anyone in town is here to work. If people come here from Amman and do not want to work, the police run them out of town. Very few people just sit and look. People here are all either doing something, or waiting to do something. Also, the fish restaurant serves only frozen fish. This is odd. The fish comes in from Saudi or elsewhere. I have not seen one fishing boat (not that there are not fish here – a moment ago a tuna fish swam along a couple of yards offshore, sending showers of tiny silver fish leaping from the water in arcing sprays of glistening light). Presumably there is more money to be made driving the enormous Mercedes lorries that do the run to and from Amman, Iraq, Kuwait and countries beyond. (Lorries by the way, tend to be German; earth-moving machinery Japanese and American; and small cranes British).

And a final observation – of Aqaba old and new. Two bars, standing next to each other. One is dark-lit, with low stools around the walls. It serves Arabic tea. The clientele are older men – grey haired. They wear suit-jackets and dark trousers, with red keffiyeh headscarves. They smoke water-pipes, quietly, slowly. A radio plays Arabic music from Radio Cairo. They drink tea and talk together. Next door is different. The cafe is brightly lit, white tiled, fluorescent lights and mirrors. At formica tables, younger men sit. Dressed in bomber-jackets, blue jeans and only two wear the keffiyeh. They drink from cans of Pepsi or 7-Up; they smoke – many of them smoke Marlboro. They do not talk to each other. All sit facing and watching the Japanese color TV perched on a cabinet. It is showing an American cartoon serial (not the Addams Family . . . the other family, with

the dog . . . utter garbage), in color, with Arabic subtitles. The serial is interspersed with adverts – white skinned western women in scenes of splendor advertising expensive perfumes, spoken in English; adverts for expensive electro-domestic gear; adverts for expensive Japanese watches. The TV-watching scene is repeated in the fruit shop next door, and in the hardware shop next to that. As a magnet aligns all metal filings along the path of its field force, so the TV aligns all human relations in this bar along lines ending at its flat glass screen and the impossible consumerist dreams that lie beyond it. Not for nothing do I hate television!

So, all for now. After another day here, I shall head up to Petra, Amman, and then Syria. While in Egypt I tried to find out the truth or otherwise of Ford's attempt to build a plant there – but with no success. On the other hand, I spent last night with an American called H. Ford – so, for the moment, that will have to do!

### *Aqaba, 7.xii.82*

Yesterday I ventured out of the seaport of Aqaba to look at a little desert – namely the Wadi Rum, from where T.E. Lawrence and Sherif Hussain launched their attack on the Ottomans in Aqaba. I have to admit that I did not penetrate to the heart of the matter. From the turn-off on the main highway I walked for an hour down the Rum road, between towering mountain formations on each side. Since there was not a person in sight, and since only one car passed in that hour, I thought it best to return by the same road without going further. The evenings are drawing in early – and fast – and the desert air carries a marked chill. I didn't want to get caught out there.

It is true to say that the desert has a silence and a splendor all its own – but I shall spare you descriptions. A thousand writers have done it better than I could. Besides, what interests me is the scenery thrown up by the language of human relationships.

### **A Palestinian, and His Opinion**

An example: there are two people who drink at this beach hotel in the evenings. One about 35, the other about 45. One drives a glass-bottomed boat (for tourists to look at coral) and the other does something else tourist-wise. I ran into them last night when a friend of theirs invited me to sit and drink with them. (He is a winchman on the docks . . . many nationalities of workers . . . Jordanians, Egyptians, Yemenis, Indians,

Pakistanis, "cocktail workers"). They spoke Arabic among themselves, and threw the odd Arabic word in my direction. I understood little. On occasion they offered a word or two in broken pidgin English. As best I could, I conversed with them. They played up like buffoons – like caricature Arabs, in fact.

I talked with the winchman about his life and work, and about the prejudices that Europeans have against Arabs. All of a sudden the boatman and his friend begin to speak, but in a coherent and argued English. And as the conversation develops, they come more out of themselves. Finally I ask the older man where he is from. It's like throwing open the doors of a flaming furnace. "Jerusalem," he says. He is a Palestinian, driven out of his homeland in 1967.

He talks of his determination to fight. He talks long, loud and angry. He explains everything. He shows the bullet wound in his leg. He tells how many he killed in the war. And he points out that the Israelis are stupid; they may pursue their expansionist and repressive policies, but a time will come . . . maybe in 100 years or even 200 . . . Palestinians have long memories. "I say to the Israeli, OK, so you want to kill me. So go ahead, kill me! But in my family there are six sons. And in my family there are 1700 people. And one day they will come back – not with one gun, but two, and they will kill you all."

And in the meantime he goes on, working and earning a living like so many other exiled Palestinians in this land of Jordan that is not their own. Like the driver of the big Mercedes truck that ran me back from Wadi Rum to Aqaba. Like the man with the water tanker that serves Aqaba's outlying police posts. Like several million Palestinians in exile. You ask them what work they do. They say: "Bah – anything so long as it brings in a little money," and the implication is always "while I wait, wait to go home, to a proper life."

So, that is the story so far. There's no doubt in my mind that I'll be coming back to Aqaba, if I can find some work to do here. And meantime I continue with a reasonable daily discipline of learning and study to improve my Arabic language. It's a slow job.

By the way, if you saw the film "Lawrence," there's a scene where they round the top of a hill and see Aqaba. If they did it today, they would see only the biggest lorry park you have ever seen, filled with huge Mercedes double trailers, tankers, earth moving equipment and trailers from every country in the world, all serving the port of Aqaba. They would also have been stopped by a Jordanian police checkpoint, where the police would search their baggage for weapons. I was not sure whether they are seeking

to prevent an arms build-up that could threaten Aqaba port, or whether the Jordanian police is effectively policing the Israeli border to prevent Palestinian incursions across to Eilat. I suspect the latter . . .

### *Aqaba, 8.xii.82*

I'm moving slowly, travelling alone, and taking in some of the reality around. Particularly the development and class changes in the area. Yesterday I visited the ruins in the valley of Petra – a 1,000 year development of a stronghold city that was finally eclipsed when the Romans brought in ship transport up the Red Sea, rendering obsolete (too slow and too expensive) the camel caravans that used to travel up from Arabia. The ruins – whole huge temples carved into the rock; a red-pink stone; and impregnable fortress – are impressive, and so was the town's economic achievement. But it is easily matched by the enormity of the economic and trade effort that is taking place through Aqaba today. In my opinion the sight is worth a couple of days of any tourist's time. It's been easy for me, because I've been thumbing rides up and down the Aqaba-Amman highway, and so have found out a few things.

### **The Iraq War Effort**

Aqaba is the main port of entry for war materiel serving Iraq in the war with Iran. From many ships cargo is unloaded, for transportation by road to Iraq. Via Amman to Baghdad. An idea of the scale of things: sections of the road have to be completely resurfaced every six months or so – they are pounded and churned by heavily laden passing lorries, into waves of moulded asphalt. Example: the Iraq government is said to have ordered 10,000 trucks (Mercedes-Benz) from Germany. At any one time the customs park outside Baghdad city may have up to 1,500 giant double trailer trucks coming in per day from Jordan. It is said that 5,000 trucks per day ply that route. An Iraqi-Jordanian road haulage company has been established – apparently state-run at both ends. The lorries are apparently owned largely by Iraq, although Jordanian state-owned and private trucks also pound the route. Drivers for these firms may be Jordanian, Indian (Sikh), Pakistani, Filipino, etc. The enormity of the things: going up to the first mountain pass out of Aqaba, I passed two huge power station transformers (Ansaldo, Genova). They were being towed by two tugs each. A tremendous weight. The convoy was moving at about three mph. One of the tugs had already broken down. The journey to Baghdad (their

labelled destination) is over 1200 km. Maybe 850 miles. At three mph, that makes it a two week journey, assuming all goes well. Insha'allah.

A German driver reports that several hundred military personnel carriers (maybe Russian manufacture) were off-loaded in Aqaba the other day (seven, eight seaters, with a winch on the back). Another driver confirms this, saying that he had seen many of them crashed along the Baghdad section of the highway. He claims about one every 10 km. Even allowing for exaggeration, that is a lot. The drivers are not fully skilled. Also, they do not take the rest periods that would be legally required in the U.K. The desert roads are sometimes flat and very boring. It is easy to fall asleep in the heat.

### **The English Driver**

An English driver (well, Welsh, from Cardiff). Runs his own Magirus Deutz 232 Diesel. Been in Jordan for nine months. A year ago the business was good, work all the time. Now he spends his time up by the customs park servicing his engine. The work has dropped off. Partly because Iraq, to fund the military effort, has halted all non-essential civilian projects (and thus the flow of certain goods ceases). And partly because Bulgarian trucks and drivers are now appearing on the scene. They must be subsidized in some sense by the Bulgarian government. They are undercutting local haulage rates. There are quite a few of them on the road. In fact, half an hour ago a ship pulled into Aqaba harbor across from where I am sitting. It runs here from Yugoslavia, somewhere near Trieste. This is not a tourist run (there have been very few tourists this year, because of the two major wars). The boat can carry 250 trucks and trailers. It used to be run by a Swedish company, but now has been taken over, a sea captain tells me, by the Bulgarians. At present it carries, perhaps, only 50 trucks per trip. Not a very economic proposition at the moment. Subsidized. But with a clear future potential. Maybe next year I shall travel on it. One result of the influx of Bulgarians is that even Jordanian drivers are laid up. As regards Europeans on this run, there is one English, and about 30 Germans and Austrians. One of the Austrians is a woman who pulled into Baghdad the other day with not one, but two trailers behind her.

### **The German Contractor**

A faded German contractor. Yesterday morning. Working on a site building an airport in Iraq. Military significance. He has just been sacked. From what I can see, he drinks too much. The airport is under a German

contractor. They have a 2,700 workforce. Two thousand of these are Indians, many Sikhs. Imported labor. Five hundred are Pakistanis. The rest are local Iraqis. He does not like to hire Arab labor. He says it is almost impossible to sack the Iraqis except for actual crime. Significantly he says that the Indians are also physically stronger. The costs of their formation as muscle-power, of course, are paid in India. He also finds them more disciplined than Arabs. They will take whatever overtime is available. They are scared to lose their jobs here, because at home unemployment exists, wages are low, and they have families to keep. The laborers are paid 52 dinars per month. This may or may not be close to the Iraqi government's minimum wage. It is approximately £20 per week.

The work of building airports has a high technical content. I speak with a travelling technician of a German firm selling soil sampling laboratories to Iraq for testing soil substrata and building materials for runways. A jumbo jet may weigh 320 tons. That weight may land on eight wheels, closely grouped. With the present intensity of the war effort, 100 jumbos may land in a day. Thirty-two thousand tons pounding down at roughly the same point of an airport runway every day. The runway must not crack. That takes advanced technique. His own job involves spending a lot of time on the front line. Needless to say, his German employers pay him well. He has been doing this work in Arabic countries for several years. He barely speaks a word of Arabic. The sacked German contractor also does not speak Arabic. Further, he drinks beer for breakfast. They are both disgusting.

### The Filipino Mason

I travelled to Ma'an, south of Amman. The book says it is the center of Bedouin trade in the region. It has not much to offer the casual caller. A Filipino mason offered to change my dollars for me, at a rate far more favorable than the local Bedouin would offer. He estimates that around 1,000 Filipinos work in Jordan. Here they earn three times what they would earn at home. He saves \$450 a month and sends it home to his family. At home he had worked for eight years as a systems analyst for Kalamazoo. He prefers to work here, in this ultra-conservative, orthodox, Muslim, one-horse town, doing construction work on yet another new bank in the town. He is here with other Filipinos. They like the life. The younger ones like the adventure, seeing different countries. He worked on one big construction site in Aqaba for five months with no pay, but in a way he doesn't care. On that site there was a big fight between 50 Egyptians ("they were big men") and 100 Filipinos armed with shovels

("we are only small"), over the Egyptians stealing their cement. Three Egyptians were hospitalized, and one Filipino.

Life can get lonely. No women. "The women here beautiful but dangerous. Don't try to get too close to one, because the man will kill you. Just like that. No problem! A girl out here might cost £6,000. We have one who comes on the building site every evening. We have to shoo her away. We don't want problems."

The man, incidentally, is 52. I would have put money on his being 22. His father is still alive at 98. Himself, he takes water therapy one day a week: one day he takes no solids, only liquids. It cleanses the system. I notice that all Filipinos I meet have interesting things to say about the body, about medicine etc. Incidentally they seem unique among migrant manual workers in these parts – the women also come over. For example, as nurses in Amman. They have a more liberated outlook than Arab women.

### Speaking of Dogs, and Zionism

I finished up the wee hours in the company of a half Jewish, fully Zionist, English sea captain, 44 years of age, born in Finchley, raised by an Irish servant, single, and now living in South Africa. This morning he leaves Jordan on a plane for South Africa. Politically and theoretically that should be impossible. It should also be impossible that he moves freely between Jordan and Israel – but he does. Other things too should be impossible, but we shall come to them.

For all his joviality, he believes utterly that some are made to rule and others to be ruled. He is utterly at home in South Africa (although he will not mention the country's name aloud in the bar of the Holiday Inn) because he believes in having servants to serve him. He believes utterly in the Zionist state – Israel's right to exist and to expand, as a strong state. Might, for him, is right. And where there is money, that's where you'll find him.

He served as captain of a tug boat in South Vietnam during the war there. His work, presumably, was importing war materiel for the anti-communist war effort. He was on board, in his shower, with his dog, in Haiphong harbor during an American bombing raid. Several men of his crew were killed – not by US bombs, but by gunfire from Vietcong workers in the barges alongside. The story, apparently, was told in *Newsweek*, but the truth was never known. He was also to be found in the China Seas, on board an English registered ship with a Chinese communist crew, during the Cultural Revolution in '66. When he refused to read aloud the works

of Mao Tse Tung, the crew hoisted him by his thumbs from a derrick, and, he claims, left him hoisted, standing on tiptoe, for one and half days. When they cut him down he still refused to read, but they relented. The effects of those days show in the bad gut and the watery eyes of the excessive drinker.

But the more interesting aspect of this vile specimen of humanity is his trade. He works now as a shipping agent. Staying for one month in the Holiday Inn has cost him \$3,000, so he's making a lot of money somewhere. And that "somewhere" is the tobacco trade. Here again we are dealing with something that is theoretically and politically impossible, but which happens – namely the importation of a shipload (shortly) of 5-6,000 tons of tobacco from pro-Zionist, anti-socialist, internationally condemned South Africa, into anti-Zionist, allegedly socialist Iraq. The tobacco ship has papers that show that its cargo comes from Zimbabwe. But, as he explains, he carries two sets of papers – one covering South Africa and one covering Zimbabwe. And, he confides, the tobacco business is one of the most secretive in the world. Sometimes even he isn't told where the stuff comes from. A dirty business politically. At the bar of any big Western-style hotel in these parts you'll hear such tales.

As regards statistics, and returning to the lorry trade: a 6,000 ton shipment of tobacco is worth \$25 million. Assuming each lorry carries 25 tons, you're talking of 240 lorry trips from Aqaba to Baghdad. A year ago he had to beg and bribe to get drivers. Now, with the trade slump, drivers come flocking. The Jordanian-Iraqi transport company is the equivalent of a labor union. A fixed rate is set for the run. The trucks have two bunk beds, but drivers don't take a mate. They prefer to work alone, and drive very long hours. This accounts for many crashes. They aim to get back fast to Aqaba to pick up another load as soon as possible. He is glad of the slump in the haulage trade: "You know, what really galled me was to have to get down on my knees and actually pay bribes to get them to work for me – fucking Arabs." That "fucking Arabs" actually said as much as needs to be said about the man.

Incidentally, in Cairo, every morning, there are scenes of near riot outside the little tobacco kiosks at street corners. Men fight each other physically to get in. Policemen come and march imperiously to the front of the queue and get served first. Children dart in and out of the men's legs. They are fighting to get one pack each of Cleopatra cigarettes. This is the cheaper, local brand. There is a shortage of them. US imports (Marlboro, etc.) are available at a higher price. Rothman too. Rothman, incidentally, sponsors the "Rallye des Pyramides," a prestige motoring event in Cairo.



The image of Western cigarette smoking man is projected from all sides. To the detriment, of course, of the national health. And Rothmans, I believe, is a South African outfit. Dirty business, like I said . . .

*Amman, 12.xii.82*

Take it from me – the best time to be in Amman is on a Friday. This being the Muslim Sabbath, the streets are relatively free of people, cars, noise, smoke, dust and the various other things which contribute, on occasion, to making it a less than wonderful place to live. I read in guide books that the city is a very civilized place to live. I suspect this is true if you live on one of the seven hills. But probably not if you live with the working class in economic centers and thoroughfares of the valley areas.

Still, be that as it may, I do like Jordan. I have spent pleasant days in Amman, and an equally pleasant couple of days at Kerak, the site of a fairly well preserved Crusader castle about 15 miles from the Dead Sea. The castle's lifespan was 50 years under the Crusaders, and even now its confines are large enough to contain a fair-sized town, towering over the barren Wadi. The days have been cold and clear, with a bright sun in the sky. I spent the whole of yesterday clambering over and around its substantial remains, taking photographs. There is a beautifully arranged museum inside the castle – but not one of its exhibits relates to the castle itself. Further, there is no guide to the castle. I am thinking of coming back one day to write and produce a little guide book. It would be a lovely way to spend a couple of weeks. In particular because the people of the town are kind, generous and oddly uncurious. (I spent an uncomfortable couple of hours lying on my hotel bed in Amman the other night, with my two Syrian room-mates staring intently at me, in a very friendly way, while I read my book. An odd feeling.)

### A Couple of Impressions

I could write at length about all the things I've seen – but that would take all day. Let me tell of a few things that spring to the eye.

The road south from Amman has rolling hillocks of fertile soil, ploughed as far as the eye can see – and as far as the eye can see is the enemy territory of Israel on the other side of the Jordan River. In one field I saw three smallish boys engaged in pulling a large harrow across stony ground. On another I saw a man guiding a plough, hitting the horse with a shiny metal rod, with his wife and young son in attendance. On yet

another I saw two women sowing seed – reaching into an apron tied at the waist and scattering the seed as they walked. I saw few tractors. Agricultural machinery on these heights does not compare with the road haulage technology on the roads. Similarly, such sheep and goats as I have seen have been herded in small flocks by young children or old men, sometimes on donkey-back. However, I presume that a degree of factory farming, or at least larger-scale farming, exists for sheep and chickens, since spit-roasted lamb and chicken are a part of Jordanians' staple diet.

This, incidentally, prompts a bizarre memory of the road entering southern Amman – the equivalent of the drivers' transport cafe. Along the roadside are a number of small single-story shops. Each has a metal frame outside, from which hang the skinned carcasses of sheep. Nearby stand charcoal grills on which the fresh-cut meat is spit-roasted to satisfy the hunger of the drivers who have toiled up the long arduous road from Aqaba. The carcasses look eerie as they hang in the night air. What makes the scene even more bizarre is the live sheep and goats grazing unconcerned nearby.

As for Kerak, the town has remnants of its French and Crusader past. For example, the taxi driver I met, whose name is a corruption of the English "Parish." Or the village below the castle, called "El-Franj" (after the Franks). And apparently the dress of the local people, the women in particular, relates to the styles of the 12th century.

Life here is simple enough. I stay in the house of Mr. Hamid, who charges 1.50 dinar (about £2.50) for the benefit of a rickety bed with sheets that have not been changed for a while, blankets that have never been washed, cold water at a grimy sink and a toilet where you would hesitate to go at night. But, leaving aside the fact that the only alternative would have been the government rest house at six JD a night, his house has a few attractions. One, that it appears to have been built with stone from the old castle. And also the company there present. There were a couple of bodies sleeping on mattresses on the upper landing that passes for a hallway. I stepped around them and into one of the only two bedrooms. Lit by a bare light bulb, with an upright Aladdin oil stove in the middle of the floor, the room had only a television and some beds. On the television was the Muppet Show – again, bizarre! – with Arabic subtitles. And what I didn't see till rounding the door was that the beds were jammed together and packed with humans, knees pulled up to their chests, huddled under cotton quilts, leaning against the bedheads, with woolly caps and headscarves on, to ward off the chill of a cold and dark early evening. There were seven occupants of the four beds, plus their ganger, and for all the world they

looked like Snow White and the Seven Dwarfs. They went round the room introducing themselves to the sound of roars of laughter. "He is Mohammed. And that one is Mohammed. And the third one is Mohammed too . . ." I think there were six Mohammeds and two Mahmouds.

Over my couple of days in Kerak, it was pleasure to stay with them. They are Egyptians, who have travelled here for work (like the two lads in the pastry shop, and the two behind the counter in the chicken restaurant). They work on a local building site to earn a few bob. Of their previous life I know only that one worked as a barman in an hotel in Iraq for eight months, and two had been professional footballers with the Egyptian team Zamalek (I've seen their photo, with their trainer). Here they stick together and support each other. They, like so many other Egyptians in this country, go a little misty-eyed at the mention of Cairo, and wish that they were back there, instead of in a cold and wintry Jordan.

Incidentally, remind me to be careful of jumpy soldiers. I have a wonderful photograph of the sun setting deep and red behind the hills over-hanging the Dead Sea. The sky is flecked with grey-black streaks of cloud, and a little conical hill stands in the foreground next to a sentry post. The only trouble is that the photograph exists only in my head! Having travelled the 15 miles from Kerak down, down, down the Wadi (sandy hills, layered and striped with the deposits of millions of years' activity by wind and water), in the pink light of a slowly sinking sun, I finally stop at an army post guarding the rest of the road. We are close to the Israeli border. We are a long way below sea level. The Dead Sea scenario, as you can imagine, is very desolate. Beyond this lies the new factory of the Arab Potash Co. (which is a story in itself). The light and the drama is superb stuff – precisely the picture I wanted. However, a corporal approaches: "Mister – no, no!!" I ventured that I wanted to photograph the setting sun. He got very agitated, ran into his sentry box and summoned his officer by phone. The officer, aged about 23, informed me that if I took the photograph, it would be "calabooses" for me. "I will have you locked up in the calaboose as an Israeli spy." Discretion being the better part of valor, I beat a retreat. Fair enough, I suppose.



## 6

### DEVELOPMENT AND UNDERDEVELOPMENT IN NIGERIA

*Silvia Federici*

THE VILLAGE SITS AT THE VERY JUNCTION BETWEEN THE QUA RIVER — ONE OF the main water arteries of southeastern Nigeria — and the Atlantic Ocean, on a beach from where, in the past, thousands of slaves initiated their mid-passage to the Americas. It consists of a few huts of corrugated tin, with mud floors and just enough space for some utensils and beds which five or six people may share. Children running about, women pounding yams, sorting groundnuts or squeezing palm kernels into red oil make up the main activities on an average day. No house has running water, few have electricity. Among them is the village “inn,” where in the evening men come for drinks and to share perhaps the body of the woman who runs it. Here too for toilet one goes to the bush; food is a little soup made of palm oil, vegetable leaves and a couple of pieces of dried fish or meat (for those who can afford them), cigarettes are sold by the stick, while a TV set is the only amenity the place provides.

Yet it would be a mistake to conclude that this area is underdeveloped. For just one mile down the beach is one of the major oil complexes in the country. It belongs to Mobil Oil which for fifteen years has been pumping oil and wealth out of this seemingly remote corner of the world. The MO complex is a gigantic, white, round, spaceship-like structure which speaks of millions of dollars and some of the most sophisticated technology the “first world” can provide. At night its rigs cast an eerie flame which, together with the flare from the burning of natural gas, lights up the sky as if it were northern New Jersey.

Nearby is the airport strip, as the managers prefer to settle in Lagos,

from where every morning they fly here to supervise the work – despite the protests of the local chiefs, who routinely ask them to contribute to the development of the community. Food in the complex is flown in too and so are the various forms of entertainment for the workers, many of whom are foreigners – Americans, Europeans, Lebanese – although at the “lower,” manual level one finds Nigerians as well, gathered (by a bus in the morning) from the surrounding localities.

Thus, the MO complex, which in February 1985 celebrated its first one billion barrels, seems an island all of its own. Its life and that of the village are two separate worlds, two time frames and certainly two incommensurably different standards of living. The only point of contact is the “inn,” where in the evening even the *mbakara* (white) men come, trekking down the beach like strange animals looking for some sex or perhaps just a break in the routine. This, however, is not an example of development “coexisting” with underdevelopment. For as in other oil-producing areas, the company is largely responsible for the pauperized conditions in which people live in the village. It is no accident – with the exception of the road the company needs for its operations – that all the roads in the area are mud paths, which threaten to turn into small rivers in the rainy season. Bad roads keep nosy people out and minimize interaction with the disgruntled surrounding human environment. The same applies to employment practices. Foreign workers are treasured not so much because of their (easily learned) skills, but because they cannot rely on local support networks or give in to their families’ demands.

There are even more crucial ways in which *development here is at once underdevelopment*. Oil extraction and exploration have ruined the environment and deprived many of their traditional forms of sustenance. Because of oil pollution, less and less can the villagers rely on fish for food. Oil spills also affect the cropland and the health of people, who now suffer from the same ailments one finds in parts of New Jersey, but without the resources (limited as they may be) people have in the US to cure themselves. Gas flaring is another example of development turning into planned underdevelopment. Mobil Oil (like all the other companies) has daily flared the natural gas from the beginning of its operations, claiming it has “no economic value,” which simply means that it is not sufficiently profitable for them to process it. Thus, up in smoke goes (and has gone for years) a potentially incalculable wealth that could provide the villagers with fuel, electricity and other basic necessities. Meanwhile people in the US often freeze through the winter, because gas prices have gone too high for them to afford adequate heating.

Mobil Oil here operates through sea rigs. In other areas oil extraction has implied expropriating farmers from their land, which is usually the most fertile as oil likes to dwell in the moist areas where crops abound. Land expropriation was facilitated by the Land Use Decree passed in 1978 (in the wake of the hike in oil prices), which nationalized all the land in the country. At first the villagers used to receive a pittance for the trees felled and the crops they could not harvest: oil time is very expensive and the companies, after receiving the green light for their operations, never allowed the farmers to gather their crops. Many farmers, however, are still waiting to get even the little money they were promised, while the government has announced that no more compensations will be forthcoming, for the government now owns the land, and paying people for it can foster bad ideas. The villages of the oil communities have often rebelled and "taken things into their own hands." But this now is rare, for the Anti-Economic Sabotage provision of Decree 20, passed in 1984, makes it a capital offense to engage in any actions that disrupt the operations of the oil companies.

In this context, development for those who had the bad luck of living near oil pools has meant the loss of everything they had, beginning with their land and their sources of food, while all they have gained have been health problems. In the case of Mobil Oil, its only "positive contribution" to the community is the occasional granting of scholarships to "gifted" children; meanwhile the majority of the village children never see a book, even when they are lucky enough to make it to primary school. When they grow up, most have to leave the area, since with the exception of a few jobs at the company, there is nothing there for them to do. Thus, as their wealth goes up in smoke or finds its way to New York and other capital markets, their only alternative is another mid-passage, this time to the urban centers, where the landless of Nigeria congregate, adding to the government's fear of a "population explosion."

*Port Harcourt, Nigeria, 1985*





# 7

## RESISTANCE AND HIDDEN FORMS OF PROTEST AMONGST THE PETROLEUM PROLETARIAT IN NIGERIA

*Julius O. Ihonvbere*

IN THE MAJORITY OF RADICAL WORKS ON LABOR IN NIGERIA, THE FOCUS HAS BEEN on overt indicators of consciousness, particularly strike actions and the relationship between political parties and trade unions. This is largely because these indicators of working class action lend themselves more easily to measurement. The net result has been "too much reliance on data relating to strikes, unionization, overt political resistance, and, for the most part, a failure to discover and evaluate the silent, unorganized, covert responses . . . [of] workers."<sup>1</sup> This is not to deny the validity of studying the overt responses to labor control and exploitation. Yet there is an urgent need to focus on those forms of protest which are not readily quantifiable and which require painstaking study to expose and comprehend. These are the *covert* as against *overt* forms of protest.

Covert forms of resistance are those actions employed by workers, mostly at an individual level and in small groups, to "get even" with employers or resist exploitation. They are informal or "underground" and constitute part of "the everyday forms of consciousness and action" of the proletariat.<sup>2</sup> At first glance they look unorganized, infrequent, irrational and even of limited effect on existing relations of production. A careful study would however reveal the opposite of these features.

It is extremely difficult to study covert forms of protest in any conclusive manner. In fact, to get a worker to admit involvement in such modes of protest requires great trust. This is because the workers involved in such acts are to all intents and purposes violating company rules and

regulations, and the laws of the land. In addition, such modes of struggle being largely individualistic in nature can cost the worker his job or attract other severe sanctions if discovered.

### Covert Forms of Resistance in the Oil Sector

Though oil workers are few in number – six percent of the total number of workers in the modern labor force in Nigeria, four percent in Trinidad and Tobago, one percent in Iran (according to Halliday), and much less in Saudi Arabia and Libya – they are strategically located for militant action. This has been demonstrated in the cases of Iran and Trinidad and Tobago.<sup>3</sup>

Like other workers, covert forms of protest are common amongst the petroleum proletariat in Nigeria. The companies are, of course, aware of the frequent use of these strategies by oil workers. Hence, the heavy and stringent supervision on oil rigs in particular. For instance, in the Collective Agreement between Keydrill Nigeria Limited and NUPENG [National Union of Petroleum and Natural Gas Workers] the company listed some of these methods of protest as including theft or fraud, sleeping on duty, possessing, using or being under the influence of intoxicants or narcotics, and malicious damage of company property. Any worker found guilty of any of the above offences would be summarily dismissed without advance notice. This policy is common to all oil companies.<sup>4</sup>

In the course of my field work I discovered that workers in the oil service companies rely heavily on these covert means of resistance. The involvement of those workers, who are generally not highly educated (usually a level of primary education, but trained on the job), in such forms of protest was confirmed by all the companies at which I conducted interviews. The companies agreed that incidents of theft, absenteeism, damage to property, wastage of materials, sabotage and use of “dirty language” to expatriate and indigenous officials have been frequent. The persistence of these forms of protest, of course, is not peculiar to the oil industry. Other than the fact that practically all the service companies complained of destruction and wastage of company property by “ghost workers,” leading to the loss of thousands of naira [the Nigerian currency], a pattern is easily observable. Incidents of wastage, sabotage, abuses, “lateness” and “sickness” were frequent in periods preceding industrial conflicts between the various local unions and management.<sup>5</sup> In these periods, the workers express their “discontent and preparedness for a showdown with management,” by “inventing all forms of illness, stealing company materials, composing abusive songs about management and

calling the expatriate staff all sorts of racial names."<sup>6</sup> These forms of resistance were of course intensified with the formal declaration of an industrial dispute. The actual or anticipated intensification of such acts of sabotage and often compels management to seek assistance from the law enforcement agents:

It is difficult to provide accurate statistics. But, even in this service company, we have had several experiences of workers deliberately destroying our property. Most of them are heartless people who can set rigs on fire. Hence, we don't take chances. At the slightest indication of discontent, we move to nip such actions by "unknown" workers in the bud. But definitely, wastage of food and raw materials on the rig, deliberate pollution in order to place oil-producing communities and the company at logger-heads, and damaging of company property have been employed in the past to put pressure on the company.<sup>7</sup>

To the management of the companies, these forms of protest are manifestations of "wickedness, heartlessness, lack of sympathy and sometimes of immaturity"; they can "hardly be seen as pressure tactics and strategies to win demands because the companies are not foolish."<sup>8</sup> But the workers often have a contrary view. Some of those I interviewed at Warri and Ughelli [two cities in southeastern Nigeria on the Niger delta, centers of the oil industry], who claimed to have been involved in some acts of sabotage on the oil rigs even theft of company materials on the rigs, saw their actions as a way of "getting part of the big profit made by the ogas every day."<sup>9</sup>

As one of the senior fitters put it:

We know that to management such acts are heartless and costly. But that is exactly the point we wish to make. We do not destroy company goods on a daily basis, but as situation dictates. We don't enjoy them either, but our union leaders will never support these actions since they like to pursue laid down procedures for settling industrial disputes. But no matter what people say or think, our acts of sabotage have always drawn the immediate attention of management. (Translation from pidgin.)<sup>10</sup>

To be sure, such acts of resistance send signals to management that "someone is angry or that some people are angry about something."<sup>11</sup> In the case of theft, workers might consider what they steal and whatever they get from its sale as a supplement to their wages. It is only in this context that we can see them as a way of getting part of what "the ogas" enjoy.

Of course, we know we can lose our jobs or end up in prison. But the companies will also lose their properties and workers, as well as their contracts; or they can be in deep trouble with local chiefs and communities. Actions which affect the power and profits of these foreign companies are our only way of showing our own power. We certainly cannot afford an open confrontation. (Translation from pidgin.)<sup>12</sup>

The workers rely on sabotage to draw the attention of management to disaffection or "to fire warning shots" before collective bargaining begins with union representatives. Company vehicles are set on fire, cranes turned over, graffiti painted on the walls, keys to the premises get lost, or radios on the rigs get damaged. Sometimes the sole purpose of acts of sabotage is to slow down operations, especially when companies give notice that some oil wells would soon be abandoned. In this case the goal is to prevent redundancies. New machines which would save labor are also frequently damaged in order to prevent retrenchment.

There is a case of a service company at Warri, for example, which imported a machine estimated by a union official to cost about 1.8 million naira. This machine would have rendered a lot of service men, welders, supervisors, fitters, etc., jobless. Within a week workers practically dismantled the machine. They stole the parts and dumped them into the sea. Till this day, the machine lies idle in the company's premises.

Though data on the incidence of "sickness" and even "lateness" at particular periods were not released by the companies, I found out that only very few workers did not use up their medical entitlements for the month.<sup>13</sup> Coming late to work can mean missing the company bus from the town or the estate. This could mean missing the boat or helicopter to the rig and consequently the day's pay. Thus, according to a rig supervisor, "most of the 'late coming' is during break periods. They go to the toilet ten times in one hour, scratch their backs, noses and legs instead of working."<sup>14</sup> Once a worker reports to work and complains of an illness, he is allowed to go to the company's doctor. He would still collect his day's pay. At one level, the persistence of "sickness" could be an attempt to dodge work or to slow down the pace of work. At another level, it might be that the illness was contracted in the process of work. However, I gathered from company doctors, supervisors and Industrial Relations Officers that the workers often bring their families and relations to use up their entitlements. There have in fact been cases where "workers complain about illness in order to obtain drugs which they in turn pass on to relations and friends."<sup>15</sup> Workers interviewed in the course of field research did not deny this. As a fitter put it:

Drugs are so expensive in town that we cannot afford them. Moreso, the company should in reality be responsible for the treatment of *all* our dependents, distant and close relations, because it is these people who keep us alive, happy and well so that we can work for the companies. If we are unhappy or unwell, then we cannot work and the companies cannot make profit.<sup>16</sup>

In the case above, there appears to be an unconscious reaction to a perceived inequity in the provision of medical benefits, as generous as it looks. The benefits usually cover the worker, his wife and children, but most workers have their fathers, mothers and other older relations living with them. I should point out, however, that according to company officials, Categories Two and Three workers are more guilty of this act of protest.<sup>17</sup> Ironically, these categories of workers were also the most bitter against the companies and the social system. I did not meet a single Category Two or Three worker who had no complaint against the government or the company. On the other hand, Category One workers, who are better paid, indulged less in this form of protest and were often cautious in their criticism of the companies, even while not condemning the other Categories.

According to company officials, the simple reason for the "nature" of Category Three workers is that they are largely uneducated and therefore are "impatient, rash and do not understand the fine and gentlemanly processes of collective bargaining and resolution of conflicts through peaceful means."<sup>18</sup> The temporary workers know they have little or no future with the companies. "Having tasted wage employment in the oil sector, they either want to leave with a token (theft) or show resentment at not being retained (abuses, sabotage, etc.)."<sup>19</sup> Thus, workers in Category Three do not have much respect for the established grievance procedure as laid out in collective agreements. This requires that the worker report to the immediate supervisor, who then attempts to resolve the problems or directs them to other officers. However, "where the immediate supervisor is expatriate, viewed as harsh or arrogant, the workers do not waste much time; they take the laws into their hands and do something to express their anger."<sup>20</sup> This is usually in the form of sabotage, abuse or anything which they think the company would notice without knowing who was/were responsible. There have been cases where workers shat in front of the manager's office and in front of the company's gate.

The workers, of course, claim to act on the basis of past experience:

Dem think say we be foolish people. If you go report, dem go write your name down and say you be wahala person. If you tell oyinbo, e go say

you be lazy person. That na if e no call you monkey. Efenself, how person go work for company well well, den dem go just sack am like that becos na temporary dem call am? So we self de take style style show we power for oga back.<sup>21</sup>

They think we are foolish people. If you make a report (on a grievance), your name will be noted and you will be branded a troublesome worker. If you make a report to an expatriate supervisor, he will say you are lazy that is, if he does not call you a monkey. Come to think of it, how can the company lay off someone who has been efficient at his job just because he is a temporary worker? In the light of these, we also try to demonstrate our power behind our bosses' backs. (Translation from pidgin.)

While it is quite possible to argue that covert forms of resistance in the oil industry do not immediately challenge the overall relations of production in Nigeria, the impacts, uncoordinated and irregular as they are, are felt by the companies. They complain that cases of excessive drinking often increase by at least 10 percent after a new shift returns from the rig or after pay day. The use of this as a conscious or unconscious form of covert protest is similar to the effect which drug abuse has on the worker and his efficiency at his job. As Robin Cohen notes in both cases:

(Drug use) almost invariably . . . represents a form of psychological resistance but social acquiescence by workers. Drugs tended to be used as a means of ironing out emotional peaks and troughs. Some stimulants, for example, the widely used West African Cola nut, are taken as food substitutes and simply to keep going, but more often "downers" like alcohol and cannabis are simply used as a means of relaxation and enjoyment – a form of compensation for an unrewarding work experience.<sup>22</sup>

In addition, the use of cannabis ("Indian hemp") proposes a sort of distance between workers and supervisors. Those who use it always have blood-shot eyes and are feared by supervisors who regard them as "hot heads."<sup>23</sup> As in the case of drinking, drug abuse does not end with its effects on the worker. It promotes lateness to work, inefficiency, mistakes, rudeness, waste and industrial accidents. All these in turn generate their own costs and problems which affect production and can cause severe strains in relations between labor and management. In fact, the problem of excessive drinking is a major one in the oil industry.

The workers, however, argue that the companies themselves encourage some form of drinking. It is "the only real form of relaxation on the rigs when (you) are away from your wife, girlfriends, even prostitutes."<sup>24</sup>

The sudden return to “civilization” after being “marooned on the rigs,” and the big holiday which workers enjoy on such a return promotes heavy drinking.

The interesting part in this issue of drinking is the sort of solidarity it promotes among workers. Warri, as an oil city, with expatriates and hordes of people seeking one form of opportunity in the oil or steel industries, has hundreds of drinking bars and hotels. Oil workers have special drinking places famous for cheap beer and goat-meat or fresh fish “pepper soup.”<sup>25</sup> For some workers, except when they are off to the rigs, gathering at the drinking bars is a daily ritual. It is at these bars that stories of covert forms of protest undertaken or witnessed, experiences with management, new names coined to describe management and songs which describe the world of oil workers or depict the “harsh and intensive nature of management, especially of the expatriate staff,” are recounted.

One of the songs goes like this:

Oyel work no good. Dem no dey take oyel cook soup. Na who de drink oyel, who sai? Oyimbo palava plenty pass oyel. Dem want big work but dem no wan give money. Baboon dey chop, monkey dey work”.

Oil job is not good. Who can make soup with oil? Who can drink oil? Impossible! The white man’s trouble is more than oil. They want us to work hard but don’t want to pay us well. The rich consume while the poor works. (Note: Sometimes, in translating from pidgin to English, the power and flavor of the words are lost.)

Though the isolation of oil rigs “forcibly” unites the workers along lines of authority, income and job performed, the drinking places on land “voluntarily” unite them to the extent that the workers are not forced to report there daily whereabouts while not on the rigs.<sup>26</sup> But as indicated earlier, the drinking places, scattered all over Warri, just like in other oil producing towns, are spots for gossip, exchange of ideas, information and experiences. At these places, the workers inform new employees on the nature of the job, particularly its hazards, and attempt to explain the nature of work and the labor control approach of each supervisor. They equally “inform” the new employee, or those on the next shift to the rigs, of covert methods of delaying on the job, resisting pressures from supervisors, dodging responsibility, and “protecting one’s sanity and safety in that isolated place.” A typical lecture goes like this:

The rig has three oyinbos and two black supervisors. The two black ones are yeye people, one of them is always drinking and the other is always doing yes sir to the oyinbo. If you want excuse for anything, give or

promise the black one a beer, he will not give you wahala. The oyinbos are bad and wicked. They don't speak too much English, all they tell you even if you are eating during break is work, work, work. But just say yes sir, and they will be happy.<sup>27</sup>

They also inform new employees of those particular workers who are in charge of smuggling drugs, particularly Indian hemp to the rigs, and that prices are fixed depending on the quantity which is arbitrarily determined. The price ranges from 50 kobo a wrap to one naira.<sup>28</sup> The drinking places are also areas where "nick names" used for supervisory staff are exchanged. Thus it is possible to find a common nick name used for different supervisors in different parts of the country. For instance, Wolfgang is often interpreted into "gang nkita" (gang of dogs – dogs being the closest to wolves). This is obviously an Ibo translation meant to distort the meaning of the name. But the workers use these nick names, even in the presence of the expatriates, without the latter being able to comprehend anything. In addition to these, workers are advised to use their dialects or at least pidgin English if they wish to communicate messages they do not wish the expatriates to understand. This does not always work out as some of the supervisors are Nigerian, but an argument between indigenous supervisors and workers can go on for minutes in pidgin or a native dialect without the expatriates knowing what it is about.

Interestingly, it is the Categories Two and Three workers who frequent the drinking places more. The more experienced workers, who are usually relatively better paid, often have no fixed places other than the staff clubs. While gossip also takes place among senior and intermediate staff, they are devoid of the loud and free manner in which the junior workers in Categories Two and Three exchange ideas, gossip and sometimes break into work songs, prisoners' songs or union songs. There have been instances of course when other categories of workers have visited these drinking places, but they have often been treated as strangers or spies:

When we talk with dem finish, dem go go tell oyinbo people so that oyinbo go like them. That is why we no dey like to talk for them presences. Them want promotion and big money, so dem dey do boy boy follow oyinbo. Dem no get sense for head.<sup>29</sup>

When we talk with them, they usually disclose the content of discussions to the expatriates. They do this in order to win the goodwill or favor of management. Hence, we do not like discussing anything in their presence. They want to be promoted so as to earn higher salaries, hence their subservient attitudes to the expatriates. They are very foolish. (Translation from pidgin.)



To a large extent, the responses of labor are made in the light of strict and sometimes insensitive attitude of management. For instance, there were several stories recounted on how expatriate staff called oil workers on the rig niggers, black dogs, black monkeys, or referred to adult workers as "boy."<sup>30</sup> These descriptions often offended the workers who coined names in reverse: "white dog," "white monkey," "oyinbo canda," "obobo canda," "ayanyan," and so on. These in reality only emphasize the color of the expatriates, though used in a somewhat derogatory manner. Indigenous staff of course are often referred to as "white slaves," "traitors," "black sheep," "servants," all in an effort to demonstrate resentment at the way and extent to which they often cooperated with management, behaved like expatriates or tried to be stricter than the expatriates.

Experiences exchanged on forms of covert resistance have been known to encourage workers in other companies to attempt the same, but taking into account the earlier mistakes and the factors which might have delayed the impact. A worker related the following experience to me:

It was at the drinking bar on Warri-Sapale road that a friend told me how he had tampered with the food supplies and refrigerator on his rig. He did it because the food was bad and the company initially was fond of serving a lot of non-African food. He is a cook, so I spoke to a friend of mine in our company who is a cook and we planned our own. Almost everyone on the rig became sick. We added some sweet tasting native leaves to the food which caused some mild diarrhoea and stomach ache. Everyone complained of the food. It almost cost the cook his job, but since we had complained before, this provided a chance for renewing the complaints with evidence. It worked. We started getting fresh supplies flown in daily, no more salads and bread but genuine Nigerian foods. If we had relied on writing letters, we would still be far from our goals today.<sup>31</sup>

Drivers in oil companies also related several experiences which can be grouped as covert forms of protest. According to one, "it was just my own small contribution to the preparations for the strike. I wanted us to strike . . ."<sup>32</sup> Such drivers remove car plugs, deflate tires or claim that cars intended to take manager's representatives to collective bargaining places could not start. In fact, they can take longer routes or just take routes known to "have frequent go-slow." The end result is that management's representatives arrive late or fail to get there and the union declares them unserious and calls a strike. Petrol tanker drivers I interviewed at the loading depot at Ore equally told me of how they can delay on the way to delivery or even sell petrol along the way to roadside dealers. Though

this can be interpreted as simple dishonesty or cheating, one of them saw it this way:

To many people, petrol tanker drivers are thieves who sell petrol to illegal dealers. They constitute a threat to other road users with their monster tankers. But none of them has ever driven a tanker, over long distances, night and day without rest. In any case, whatever we do is in aid of survival, which the companies and government (are) not interested in. The bigmen want petrol to drive their big long cars but do not care what happens to we *mekunu* (the poor). If I have the chance to sell the petrol and the tanker, I will do it any day. That will be my share of the oil boom.<sup>33</sup> (Translation from pidgin.)

Of course, oil tanker drivers informed me on how easily they can disrupt the national economy through collective action. On the rigs, the workers made it clear that if they stopped working everything would grind to a halt. The common man, i.e., the car user may not know of it immediately because the refineries and oil depots have some reserves, but it definitely will affect the revenues to the government and profits to the companies: "The worst thing the oil companies dislike is the idea that they are paying salaries to idle workers. If it is in a strike situation, they can raise issues about not paying wages, but if it is the result of damage to equipment, they just have to pay."<sup>34</sup> The tanker drivers on the other hand will easily inform that they are the invaluable link between the refineries and oil depots and the petrol stations.

Just like the tanker drivers, petrol station attendants, who are highly exploited and not yet unionized, have devised several covert modes of resistance and protest. Since they lack a union, the only mode of resistance they can rely on to "get a fair share" or to "get even" with their managers is through covert resistance. This position is clearly articulated by one of them interviewed at a Mobil station in Lagos:

We do not have a trade union to protect us. We are alone, so we have to struggle and fight in secret. Even if we are four in a station, we are not united. For example, my other two senior attendants are closely related to our boss, the only lady here is the boss' third wife. I am Igbo, not Yoruba like the other three. The oga's wife had continued to warn me against having anything to do with NUPENG. So, if I have a deep grievance, I cannot go on strike, I have to put it very mildly to the supervisor or act on my own.<sup>35</sup>

It is this sort of work place condition, where the supervisor thinks he has every cause to defend the interests of the station owner, and in which

the workers operate under an exploitative paternalistic environment, that promotes cheating, "inefficiency" and other methods to reduce returns to the station owner. The station attendants interviewed, while generally denying personal involvement, agreed that incidents of pumping less petrol into car tanks, tampering with meters, deliberately being slow at attending to customers, even declaring that there was no petrol for sale are commonly used as methods of expressing dissatisfaction against the "terrible working conditions and the bad attitude of the station owners."<sup>36</sup> To be sure, cheating, over-pumping petrol into the tanks of friends, and so on, can mean financial "rewards" to the worker who sees it as a way of "topping his meagre salary," but cases of closing down the station or deliberate delay in attending to customers affect the sales of the day, the profits of the station owners, and usually arouses accusations and sanctions from the supervisors or owners:

I do not see an alternative(s). We cannot report to the police. There are case(s) I believe when thieving and those other thing(s) cannot be seen as crime(s). We poor people must survive too. But in so far as the owners (say they) don't care for us, we shall not care for them. Many of us want the union, but what can we do? These problems, I mean how we react to the owners, (are) bound to go on, until we have (a) union and standard salary and conditions (of work).<sup>37</sup>

In other cases, workers have been known to use graffiti, write anonymous letters to local managers, even to directors in Europe and America or other parts of the world, and sometimes "lose" the keys to the offices of the senior staff, even the key to the company's main gate or official car. These sort of activities, said workers, were more often than not deliberate. Others write threatening letters against local indigenous and expatriate supervisors.<sup>38</sup> Electricians tamper with electric cables and transformers, "just to make small trouble for the ogas." These forms of protest are sometimes very expensive, dangerous and at great cost to the worker. In other cases they may be quite ineffective and thus fail to move management. Even in such circumstances, they provide satisfaction to the worker(s) directly involved and to all those who had been contemplating such acts on a higher or lower level. The company officials I interviewed showed clearly that they were quite aware of these forms of protest but confessed that they were "very difficult to control or eliminate. Stringent provisions for discipline and threats cannot eliminate such actions against the company, particularly as they are often not collectively executed, but they do give us an insight into the fact that something somewhere requires urgent attention."<sup>39</sup>

No union can rely exclusively on covert forms of protest if it is to advance or protect the interest of the working class. This means that covert actions can only serve as the "bedrock" of overt activities. It is at this level that unions openly express their desire or preparedness to confront the system or a sector of it. This mode of protest, being collectively undertaken, also constitutes an invitation to other forces in society to sympathize or join hands with the union in the deepening of the struggle to confront management; this means a strike can move from being just a strike into being a political struggle. In addition, the strike presents an occasion for the rank and file to pressure their leaders into militant action as well as to test the organizational capacity of the leaders. The extent to which the leadership keeps open the flow of information between it and the rank and file, or attempts to strike uneasy bargains with management, can hold several implications for future struggles.

Finally, this paper, through a discussion of covert and overt protests in the oil industry, has shown that oil workers are not the comfortable and docile group they are often painted to be. However, while Categories Two and Three workers rely heavily on covert forms of resistance and are extremely critical of state institutions and regulations, Category One workers appear to be more conservative. True, they join in strike actions. But they do to the extent that they concern bread and butter issues. As conflicts between management and workers become prolonged, the tendency among Category One workers is to emphasize respect for the laws of the land and the need to give state institutions a chance. Such disposition would directly prevent conflicts from generating political dimensions within and outside the oil industry. What is more, Category One workers do not deny the fact that they enjoy the power delegated to them by the companies. Given their political orientation, their views on society, politics and the future of the working class, Category One workers can be described as elitist and conservative.

What about the future? Nigeria's oil industry is facing increasingly difficult times. The glut in the world oil market has affected production and exportation levels. This in turn affects rents and profits to the state and companies. The Nigerian state has initiated "austerity measures," retrenchment, foreign exchange controls, etc., to cope with the crisis caused by the decline in oil revenues and dependent capitalist growth without development. The oil companies have begun to retrench workers, close or reduce operations and make fewer concessions to oil workers. Both actions have direct effects on oil workers and the working class in general. The deepening of class contradictions, the sharpening of the

edges of class struggles and the possible generation of conflicts between the state and capital would be inevitable in this circumstance. As workers put pressure on the government and their employers, the state would likely increase its role in the oil sector. The companies can be expected to resist this move given declining production and profits. Whatever role the workers in the oil industry would play in the future would be largely dependant on the extent to which they are able to resolve problems within their union and initiate clear policies for rank and file education and mobilization.<sup>40</sup>

### Notes

This is an edited version of a paper presented at the International Conference on "Energy, Self-Reliance and National Development," Organized by the Energy and Social Development Research Group, Faculty of Social Sciences, University of Port-Harcourt, October 16-19, 1985. The work is derived from data collected from field work carried out in Lagos, Warri and its environs between May 1983 and April 1985.

<sup>1</sup> Robin Cohen, "Resistance and Hidden Forms of Consciousness Amongst African Workers," *Review of African Political Economy* 19 (September-December 1980), p. 8.

<sup>2</sup> *Ibid.*, p. 9.

<sup>3</sup> See Fred Halliday, *Iran: Dictatorship and Development* (Harmondsworth: Penguin, 1979); Peter Nore and Terisa Turner, eds., *Oil and Class Struggle* (London: Zed Press, 1980) and Julius O. Ihonvbere, *Labour, State and Capital in Nigeria's Oil Industry* (Forthcoming).

<sup>4</sup> I did actually try as much as possible to verify or confirm some of the covert forms of protest discussed in this paper. I have excluded some which I could not verify and others, though more severe in nature, I cannot use without exposing the identity of the culprits. This is because the actions are either under investigation, have generated serious conflicts, or cost companies a lot of money to resolve. I also had to promise absolute anonymity and confidentiality to my informants.

<sup>5</sup> Field informations from oil majors and minors and service companies in and around Warri, June 1983 to March 1984.

<sup>6</sup> Interview at an oil minor, Warri, November 1983.

<sup>7</sup> *Ibid.*, The respondent is a senior supervisor.

<sup>8</sup> *Ibid.*

<sup>9</sup> Interview with Mr. Chidozie, a worker with a major oil service company, Warri, December 1983. Oga is a boss.

<sup>10</sup> Interview with Mr. P. O. O. Brown, a worker with an oil major, Ughelli, December 1983.

<sup>11</sup> *Ibid.*

<sup>12</sup> Interview with an oil worker with an oil major, Warri, Shell Depot, December 1983.

<sup>13</sup> Field information gathered from a hospital which handles the treatment of workers

on behalf of two oil majors in Warri, November and December 1983.

<sup>14</sup> Field interview, Warri, December 1983. According to this supervisor, the workers do these "just to make sure that we do not finish the work on time. The temporary or daily paid workers are more notorious for this. So, we (the supervisors) do everything possible to make them keep working."

<sup>15</sup> Interview with a company doctor, Warri, November 1983.

<sup>16</sup> Interview with a fitter with an oil major, Warri, November 1983.

<sup>17</sup> The company officials called these acts "cheating." I agree to an extent but prefer to see it as a direct response to the failure to provide universal coverage in terms of taking cognizance of the extended family system.

<sup>18</sup> Field interview with a personnel manager with an oil major, Warri, January 1984.

<sup>19</sup> Ibid.

<sup>20</sup> Interview with Mr. I. Aberare, NUPENG Organizing Secretary, Warri Zone, January 1984.

<sup>21</sup> Interview with Mr. Usen, a worker with a service company, Warri, December 1983.

<sup>22</sup> Cohen, p. 19.

<sup>23</sup> Supervisors often expressed amazement at the rate at which workers used "Indian hemp" on the rigs: "Once it is break time, you find them smoking 'igbo' (Indian hemp or cannabis) all over the place, sometimes openly. You cannot even challenge them because they might attack you." Interview with a rig supervisor with Dresser Nigeria Limited, Warri, November 1983.

<sup>24</sup> Field interview, Warri, January 1984. This worker is employed in a service company.

<sup>25</sup> "Pepper soup" is a delicacy prepared with spices and either fresh fish or goat meat. Generally it goes well with cold beer and most of the drinking spots frequented by oil workers served pepper soup at one naira per plate.

<sup>26</sup> These are some of the indicators which were employed in the categorization.

<sup>27</sup> Information collected from "Drinking Haven," Ogunu, Warri, February 1984. "Yeye" means "useless," "wahala" means "troublesome" or "restless".

<sup>28</sup> "Indian hemp" is also called "igbo," "we we," "joint," "grass," "NNG" (Nigerian Natural Grass), "leaf," "marijuana," "flem" and "Morocco."

<sup>29</sup> Interview with a mechanic employed at an oil service company, Warri, August 1983.

<sup>30</sup> One such incident of an expatriate calling a worker "boy" and "slave" precipitated a major strike action at Keydrill Nigeria Limited in 1981.

<sup>31</sup> Account narrated to me at a drinking bar on Warri-Sapale Road, Warri Township, August 1983.

<sup>32</sup> Interview with a driver with an oil major, Sapale, August 1983.

<sup>33</sup> Interview with a petrol tanker driver at Ore, November 1983. Some of the drivers also disclosed that they derive some power and pleasure from harassing rich men in "long expensive cars" on the highways with their tankers.

<sup>34</sup> Interview with a senior tanker driver for an oil major, Ore NNPC Depot, November 1983.

<sup>35</sup> Interview with "Bob Alabama," Total Petrol Station, Lagos, January 1984. Though this attendant gave me his full name, he insisted that I use his "guy name" in the study. Our discussion on the problems of petrol station attendants, the need for a union, and the attitude of the companies and managers took place between 8-16 February 1984. Bob Alabama later put me in touch with 16 other station attendants around Lagos.

<sup>36</sup> Interview with Elijah Okougbo, NUPENG Headquarters, Lagos, January 1984. Mr. Okougbo was in charge of the initial efforts to organize station attendants which failed. Joe Tafa has commented on the conditions of these attendants thus: "The challenge unionization of these workers poses to petrol dealers lies in the fact that for many years petrol sellers have been under obnoxious working conditions. If there was any condition of employment at all . . . their basic salary was less than 60 naira a month . . . no normal leave, transport, night and leave allowances . . ." See Joe Tafa, "Petrol Sellers Yearn For Own Union," *Evening Times* (Lagos), 16 October 1980.

<sup>37</sup> Interview with Mr. C. Asukwo, petrol station attendant, Ajamougha, Warri, November 1983.

<sup>38</sup> I actually saw some copies of such letters of threat written against local managers and supervisors.

<sup>39</sup> Interview with an official at Pan Ocean Nigeria Limited, Koko, November 1983.

<sup>40</sup> Indications of this deepening crisis are beginning to emerge. The government has passed new decrees prescribing the firing squad for those who sabotage petroleum pipelines or engage in illegal bunkering of oil. The NNPC has extended its efforts to control bunkering in order to bring in more revenues. Oil is now to be prospected for in Lake Chad River Basin.





PART TWO  
THE WORK/ENERGY CRISIS  
1973-1981



## 8

# INTRODUCTION TO ZEROWORK I

*Zerowork Collective*

THE PRESENT CAPITALIST CRISIS HAS MADE THE PROBLEM OF WORKING CLASS revolutionary organization more urgent. But any discussion of revolutionary action must be based upon an analysis of the present relation of the working class to capital. The first issue of *Zerowork* takes up this task.

This historical crisis of capital is the product of a cycle of struggles, waged in North America and internationally, between the working class and capital. This is our starting point. There is nothing simple or mysterious about a cycle of struggle. The class struggle has many circuits, sectors, internal divisions and contradictions, but it is neither a mystical unity nor a chaotic mess. The articles in this issue describe the circulation and development of struggle through the different sectors of the working class that have culminated in the present crisis.

All capitalist crises may well look alike in the spectacles of economists. From the viewpoint of working class organization, however, there is a vast difference between 1929 and 1975. It is the difference in the changed role of the working class in the determination of the capitalist crisis. Unless this difference is grasped we will fail to identify the present source of working class power and be condemned therefore to the repetition of old nostrums and discredited strategies.

Capitalism is not always and eternally the same, nor are the revolutionary potentialities of the working class. In order to clarify the novelty of the contemporary relations of class power, we may pick out three main stages of struggle over the last century, each characterized by a different class relation and producing different types of crises.

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The first is the period of the "anarchy of production." Recurrent capitalist crises and restructuration were aimed at reproducing the reserve army of labor in order to depreciate the value of labor power and maintain the "proper" ratio between necessary and surplus labor. The possibility of "free market" control ended internationally with the Great Depression when a new relation with the working class was forged: the Keynesian era. Whereas formerly wages rose and fell in spasmodic movements, in the Keynesian era the power of the working class was expressed in constantly increasing wage levels. The wage was taken, therefore, by capital as the pivot of the economy: development was geared to the expansion of demand. The consumer goods industry (primarily the automobile sector) consequently set the pace for growth. What was lost in the rigidity of wages was recaptured by inflation. The recessions of the 1950s were used as tools for the "fine tuning" of working class consumption and for moderating wage demands. Crisis kept the equilibrium between wage demands and inflation levels. "Fine-tuning" required new institutional arrangements. Working class organizations, the trade unions, were recognized as the sole bargaining agent of working class demands and the attempt was made to integrate them as a force for capitalist development.

The present crisis is neither a Keynesian recession nor a return to those of the "anarchy of production." *This crisis opens a new stage in the class relation.* It marks capital's recognition that the control of the working class through Keynesian methods has proved illusory: in fact those methods provided an occasion for the largest generalization of the wage struggle. Planned crisis is now the capitalist long term strategy. The present crisis is not the end of a business cycle. It is the end of an age.

Why was capital forced into this situation?

The political strategy of the working class in the last cycle of struggles upset the Keynesian plan for development. It is in this cycle that the struggle for income *through* work changes to a struggle for income *independent* of work. The working class strategy for *full employment* that had provoked the Keynesian solution of the 1930s became in the last cycle of struggle a general strategy of the *refusal of work*. The strategy that pits income against work is the main characteristic of struggle in all the articulations of the social factory. The transformation marks a new level of working class power and must be the starting point of any revolutionary organization. The strategy of refusal of work overturns previous conceptions of where the power of the working class lies and junks all the organizational formulae appropriate to the previous phases of the class relation.

We put these conclusions forward on the basis of a class analysis of

the cycle of the 1960s and early 1970s. Only on the basis of such an analysis can organizational proposals be made or strategic conclusions drawn. Capital is a class relation, and as such it admits only two ways of approach: either the capitalist viewpoint or the viewpoint of the working class. In theory as in struggle, no middle ground is given.

From the capitalist viewpoint every crisis appears to be the outcome of a mysterious network of economic “laws” and relations moving and developing with a life of its own. Capital pictures itself as a completely self-enclosed, self-guiding system. It might not always work right, but its “flaws” are internal as are its “cures.” From its vantage point the working class appears only as a product of capital’s motion and structure, as one variable among many that capitalist planning must calibrate and put in motion. Capital, on pain of extinction, must continually re-establish its control in the face of working class initiative in order to force the working class to become a simple “factor of production.”

Our class analysis proceeds from the opposite viewpoint, that of the working class. As a class relation, capital is first of all a power struggle. Capital’s “flaws” are not internal to it and nor is the crisis: they are determined by the dynamics of working class struggle. To be understood, that dynamics and cycle of struggle requires an analysis that must operate at four, interconnected and necessary levels.

First is the analysis of the struggles themselves: their content, their direction, how they develop and how they circulate. It is not an investigation of occupational stratification nor of employment and unemployment. We don’t look at the structure of the workforce as determined by the capitalist organization of production. On the contrary, we study the forms by which workers can bypass the technical constrictions of production and affirm themselves as a class with political power.

Second, we study the dynamics of the different sectors of the working class: the way these sectors affect each other and thus the relation of the working class with capital. Differences among sectors are primarily differences in power to struggle and organize. These differences are expressed most fundamentally in the hierarchy of wages, in particular, as the Wages for Housework movement has shown, in the division between the waged and the wageless. Capital rules by division. The key to capitalist accumulation is the constant creation and reproduction of the division between the waged and the unwaged parts of the class. The Left has perpetuated and intensified this division to the extent that it still identifies the working class with the “producers” or with the waged. But for us, as for Marx long ago, the *working class is defined by its struggle against*

*capital* and not by its productive function.

Third, we consider the relation between the working class and its "official" organizations, that is, the trade unions, the "workers' parties," welfare organizations, etc. We should never identify the working class with its organizations. Indeed, much of the working class struggle producing the present crisis arose outside or against these very organizations. But by the same token one cannot follow the ideological line of "class purity" that analyzes struggle entirely independent of these organizations. Whether a particular organization advances the interests of the working class or not, it plays a role in the relationship between the working class and capital.

Fourth, all these aspects have to be related to the capitalist initiative in terms of general social planning, investment, technological innovations, employment and to the institutional setting of capitalist society. It is in this relationship between the dynamic of working class struggle and institutional changes that the analysis of class recomposition reaches its most significant level, because it brings to the fore the power of the working class to transform capitalism.

Through these interdependent levels of class analysis we can understand the relation between the working class and capital. They enable us to specify the *composition of the working class*. At the same time such an analysis allows us to see how the working class changes that relation and reconstructs its composition at a greater level of power, that is, in its *political recomposition*. By "political recomposition" we mean the level of unity and homogeneity that the working class reaches during a cycle of struggle in the process of going from one composition to another. Essentially, it involves the overthrow of capitalist divisions, the creation of new unities between different sectors of the class, and an expansion of the boundaries of what the "working class" comes to include.

The articles in the first issue of *Zerowork* give a historical outline of the political recomposition in and among different sectors of the working class. Our analysis starts with the process of working class repression and technological reconversion that made up in the 1950s capital's response to the cycle of struggles that culminated in the immediate post-war years. It then shows how the working class regained the initiative in the 1960s. Each article demonstrates how the struggle of both the waged and the unwaged parts of the class thwarted the fundamental tool of accumulation – the division between the waged and the wageless. Those struggles against capital show a unity of demand – more money, less work – and not an organizational unity. Their power brought to a close the Keynesian

*era. Thus it is the political recomposition of the waged and the unwaged that imposes the crisis on capital.*

Further, these articles show how the struggle has obliterated any distinction between politics and economics, the distinction that in previous phases dominated conceptions of revolutionary organization. The struggles leading to the Keynesian era materially destroyed the separation between the state and the "economic infrastructure." The political nature of capitalism is not "unveiled" by the "exposure" of political institutions. All the elements of capitalist society are based upon the essential relation of command that capital seeks to impose on the working class. The wage relationship is not a mere "economic" relation. It is above all an expression of the power conquered by the working class and cannot be dismissed as a "reformist" struggle. The "labor markets" as well as the so-called political institutions, the kitchen and the assembly line, are all determined by the power relation materialized in the wage.

Everywhere, this is evident today. Gone is the time when "a fair day's work for a fair day's pay" was the slogan around which the working class movement rallied. The crudeness of the working class attack has shattered the apparently sophisticated distinction between qualitative and quantitative demands. The straight-forward imposition of higher income regardless of productivity has been the leading edge of working class political strategy. This appropriation of wealth on the part of the working class has taken many forms; demands for higher wages, for greater welfare benefits, rent strikes, subway strikes, and all the various types of direct appropriation that, under capital's justice, go under the label "crimes against property." The intensity and dimensions of these struggles demonstrate that the cutting of the link between income and work is the decisive point at which the class recomposed itself and expressed its political autonomy from capital. The magnitude of the struggle is best measured by the magnitude of the present crisis. Capital's response could not avoid the terrain of confrontation laid down by the working class. It is for this reason that the present capitalist strategy is characterized by a strenuous effort to sever its "dependency on workers." We interpret the macroscopic changes that the recent "oil crisis" has brought about in this way. Not a scramble over "natural resources" nor the product of rapacious corporations nor the narrow-mindedness of nationalist governments, it is rather a specific international strategy aimed at charting a new course of accumulation. The energy multinationals have become the leading force in this process precisely because of their capital intensive production and their relative "freedom" from labor problems. At the same time capital will not get rid

of work, on the contrary, its political necessity is more apparent than ever as the fundamental form of control over the working class.

The contemporary Left sees the crisis from the point of view of economists, that is, from the viewpoint of capital. The Left is basically *for* work. It cannot grasp either in theory or practice that the working class struggle *against* work is the source of the crisis and the starting point of organization. Hence the Leftist image of the crisis is still mired in the paleomarxist view that sees the crisis as the product of capital's lack of planning of production. The "anarchy of production" is an external irrationality of the capitalist mode of production that dooms it to crises of inter-capitalist competition and imperialist wars. For the Left the working class could not have brought about the crisis; it is rather an innocent victim of the internal contradictions of capital, a subordinate element in a contradictory whole. This is why the Left is preoccupied with the *defense* of the working class.

Our analysis of the crisis implies a rejection of the basic proposal of the Left: socialism. We must rid ourselves of old terminology that has no application to the present level of class confrontation. The first on the list is "socialism" which at the present moment can mean only one of two dubious things. Either, as the ideology of the libertarian Left, it finds in small-scale production the solution to the "degradation of work," or it is a capitalist strategy of economic planning. In the first respect socialism is romantic and quaintly useless. In the second respect, however, socialism means primarily disciplining the working class. (The socialist countries are already playing the second role in the international context by inviting capital investments from strike-ridden countries, e.g., GM in Poland or Fiat in the Soviet Union.) In both cases the demand for socialism clashes with the working class demands against work.

The present task is not a matter of developing new versions of an automated 21st Century Utopia. The practical and theoretical challenge is to build a society where the creation of wealth does not contradict the autonomy of the working class and its refusal of work. This challenge cannot be met unless we re-define, and not avoid, those classic questions that our tradition has bequeathed us as relics, the questions of "the dictatorship of the proletariat" and "the seizure of power."



## 9

# NOTES ON THE INTERNATIONAL CRISIS

by Mario Montano

WHEN LOOKING AT CAPITAL'S PROJECT FOR THE INTERNATIONAL CRISIS, ONE aspect is immediately clear: from its perspective, the crisis is a *long-term* undertaking. It is not a temporary recession to cure inflation and re-establish capital's "animal spirits." It is the imposition of a *long-term austerity for the purpose of enforcing work* with the maximum feasible violence. While this violence includes lower standards of living, increased unemployment and speed-up for the working class internationally, the tactics of such enforcement of work are adapted to local conditions. So we have a ghettoization of the labor force and "workfare" in industrial countries, working class genocide in Chile, mass starvation of proletarians in India, etc.

*Capital's need to attack with such multinational violence is just a sign of the tremendous power that the working class has commanded in its international political recomposition.* By assuming the crisis as a long-term strategy, capital reflects awareness that what is at stake is the historical reassertion of work as a condition of income, and therefore the secular defeat of an international working class that is separating income from work.

Historically, the working class has imposed "full employment" and has then used it to launch its wage struggles and so further attack the power of capital. If the struggles of the US unemployed in the 1930s forced an end to the usage of devastating levels of mass unemployment and deflation to control wage rates, the wage struggles of the 1960s showed that "full employment" is also politically unmanageable. In the cycle of

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struggles that begins in the mid-1960s, the working class has defeated the two major capitalist strategies for control: "technological" control of the class as *labor power*, i.e., explicit use of technology to repress the class struggle and confinement of the working class to the role of a variable in the interplay of supply and demand, and "economic" control of the class as *internal demand*, i.e., the attempt to use the working class wage struggle as the mainspring of economic development. The working class has attacked at both levels, at the point of production through low productivity, absenteeism, etc., and in circulation, through uncontrollable wage demands, in a generalized strategy against work and for income, that is, for *income against work*.

### The Working Class Struggle and the Crisis

The crisis is *imposed* on capital by the parallel, contemporary and cumulative wage struggles of both the waged and unwaged, internationally. This is what is meant by "international political recomposition of the working class." Throughout the widest international circulation of the wage struggle in the 1960s, the working class has broken down the precarious link between wages and productivity and has cut deeply into profit margins, thus shaking the roots of capital's command, as *command over labor*. Capital's power to enforce work has diminished and the working class power to work less has increased.

These struggles for more money and less work, working class rejection of incomes policies, absenteeism, lower social productivity, sabotage, welfare struggles, urban insurrections, have been autonomous struggles, carried on by the direct initiative of those involved in them, whether through existing political organizations, if these organizations – government agencies, trade unions, "workers' parties" – could be used, or through new organizational solutions. *Everywhere the mass wage offensive has been productive of self-organization*, including mass direct action, the political use of mass violence and the explicit organization of armed struggle in the community against the factory and the State. Everywhere the same political characteristics of the wage struggle have emerged: in advanced England, backward Portugal, dependent Argentina, reformist Chile and socialist China. At the same time that the waged working class has used "full employment," anti-fascism, Peron, Allende and the Great Proletarian Cultural Revolution for its wage initiative, the masses of the unwaged the world over have intensified their pressure, forcing the opening of entirely new wage fronts. It is the immense income demand of the unwaged that has produced local growth and plans for economic

development in Libya, Algeria, Iran, Venezuela, Indonesia, Nigeria. Decades of national liberation struggles have incubated an explosive unwaged, unsatisfied, uncontrolled working class demand in what was once called the "Third World."

Internationally as well as domestically, capital has been confronted on both sides at once, by development and by underdevelopment, by the waged and by the wageless. The culmination of the wage struggle, coupled by the explicit attack on capital's command, leaves capital no choice but to accept the crisis and to try to make it backfire on the working class.<sup>1</sup>

At the international level, the *cycle of struggles of the US working class* remains the main reference point, not simply because of the strategic position and strength of the US working class, but because the US cycle has shown the highest *wage recomposition of a multinational working class*. In this sense, the US cycle interprets and expresses more clearly the political quality of the international cycle as a whole: the recomposition of the waged and the unwaged.<sup>2</sup> Political recomposition of the working class meant a *wage explosion and a welfare explosion at once* that a traditional recession (1969-1970) could not even begin to contain. During the Nixon recession unemployment, welfare *and* wage rates rose while profits fell. By mid-1971 it was clear that the good old medicine no longer worked.

It is crucial to see that in this cycle of struggles capital's political problems do not stem only from what was *traditionally* considered as the wage front. Surely the relation between capital and the working class is not measured only on Fridays, since the struggle is over more than the paycheck. It takes on many forms; absenteeism, lower productivity, uses and abuses of the union structure (e.g., "cheating" on health benefits), pilfering and cargo theft, and the infinite degrees of sabotage ("counterplanning on the shop floor"). But even more importantly the struggle is not limited to the assembly line, the dock or the highway; it is equally expressed in the community. From welfare struggles to rent strikes, from criminal activities such as shoplifting and robbery to direct appropriation attacks on supermarkets, from squatters to food price boycotts, we see the opening of a whole spectrum of working class struggles for wealth. The existence of these two levels of the class struggle (the factory and the community, the waged and the unwaged) is nothing new or peculiar to this cycle of struggles. What is new is the force each side has achieved and the rapid circulation between them that made any recession-unemployment-wage-cut sequence impossible.

Thus in this cycle of struggles each of capital's wage strategies was

overturned. The attempt to link wages with productivity in the factory was met by demands for more money and less work. The attempt to link income with work met the welfare struggles. The attempt to enforce wageless work on certain sectors of the class was undermined by the organized emergence of wage demands of women, youth, G.I.'s and prisoners.

Sociologists begin to worry. They see a "revolution of rising entitlements." The working class cares not for equality of opportunity. "What is now being demanded is *equality of result – an equal outcome for all.*"<sup>3</sup>

The US cycle exemplifies the international cycle only because the US is the tip of an iceberg. At the international level, the working class attack of the 1960s has completely turned around the world order first outlined at Bretton Woods. There, post-war development was relaunched on the basis of a) an intercapitalist agreement over a new redistribution of the traditional areas of imperialism and underdevelopment, and b) an historical experiment in "full employment," reformism for the working class of Europe and Japan, financed by US budget deficits and managed by social democracy and the CIA.

In this way, the post-war strategy took the shape of international planning and management of the contradiction between development and underdevelopment. Within development, then the US-Europe-Japan gaps would guarantee that the 1933-1946 power of attack of the North American working class would not be generalized to the entire "advanced area." It is precisely on such differences in the composition of capital that the multinationals began to move in the 1950s.

The Bretton Woods system reached a crisis when the international struggles made it plain that the entire setup *no longer afforded any margins*. As strategies for the containment of the working class, both development and underdevelopment have failed. In the US, Europe and Japan, development has shown itself as Watts, May 1968 in France, Italy's Hot Autumn, Japan's Spring Offensive, etc. "Full employment" has been turned into working class revolution (By 1974, the US-Europe-Japan wage gaps have practically closed. For Europe- and Japan-based multinationals, it may now be more convenient to invest directly in the US). In the "Third World," as we have seen, underdevelopment has failed to curb the wage struggle of the waged working class and the income demand of the unwaged.

### Capital's Response

Capital's response to the international working class attack can be described through the economic policy of the US. We can take August 15,

1971, as the beginning of capital's counter-offensive, when the US government, in a sudden tactical shift, *assumed the initiative* in the crisis imposed by the working class.

That traditional recession has been ineffective in curbing wages must be shown as an international characteristic of the wage struggles at least since 1969. In 1969 and 1970, it became apparent that the international wage offensive was proceeding unchecked by slowdowns and recessions.

Arnold Weber, one of the protagonists of the wage-price freeze and Executive Director of the Cost of Living Council, gives a lucid account of the domestic political background of August 15.

By the end of 1970 the average first-year increase in newly negotiated collective bargaining contracts was in excess of 8 percent. But the bright spot did not appear. Collective bargaining developments in 1971 indicated that little relief was in prospect. The settlement in the can industry in the spring of 1971 became a target in aluminum and steel, resulting in first-year settlements calling for an estimated 16 percent hike in compensation costs. The prolonged work rule dispute in the railroad industry ground to an expensive, if not constructive, conclusion which permitted wages to increase over 40 percent over the 42 months beginning January 1, 1970. In the second quarter of 1971, the average first-year increase for major collective bargaining settlements was 10 percent . . . Thus in the summer of 1971 the measures of economic activity stood in painful proximity. Price trends were mixed, and vigorous pressures were still exerted on costs by sizeable wage increases. Deflationary measures to deal with the situation were unfeasible or politically perilous. The budget for the fiscal year 1971 showed a deficit increase in excess of \$20 billion, at the same time that the money supply was increasing at a prodigious rate, partly in response to nudging by the Administration. Any strenuous effort to change these developments ran the risk of increasing unemployment to unacceptable levels in terms of political and national economic requirements . . . Any disposition to be "tough" was mitigated by the experience in the fall of 1970 when the extended strike in the automobile industry appeared to have dealt a setback to efforts to restore a high level of economic expansion . . . With one great step, the Administration could dissipate the political pressures at home while seizing the initiative with its economic partners abroad. The proximate developments were the steady deterioration of the balance of payments and the attack on the dollar in international money markets . . . On the domestic scene, the basic steel producers and the United Steelworkers of America on August 1 reached a new labor agreement calling for an immediate increase of 15 percent in wage and fringe benefits, an indicator that cost-push pressure had not abated.<sup>4</sup>

There was but one solution, to undertake the crisis as a long-term strategy, that is, *to pass from cyclical recession to historical crisis*: by explicitly attacking the European and Japanese working class (the 10 percent surcharge on imports that passes for inter-imperialist competition) and by generalizing a Government imposed anti-working class attack at home (the wage freeze). Behind the 10 percent surcharge and the 5 percent wage ceiling of August 15 stood the atomic submarines and the National Guard. There was no rationalization for suddenly forcing a change in the exchange ratios among nations and within the international capital-wage relation besides the consideration that the new ratios established more favorable relations of power.

We now know that the measures of August 15 were too weak. By 1973 it became clear that capital had again underestimated the impact of the international class initiative. The working class was not blackmailed. In fact, the international boom of 1972-1973 provided an occasion for relaunching the wage initiative (March 1973 FIAT occupation in Turin, the Philadelphia teachers' strike, the summer wildcats in West Germany, the Jefferson Avenue assault in Detroit, the revival of struggle at English Ford's, the Carletonville riots of South African miners, etc.).

Up until the late 1960s capital succeeded in making use of the international intercapitalist gaps to control the wage struggles.

Historically, the Western economies have been *out of step*. One or two countries, usually the US, West Germany, or both, would lead a business expansion or decline, and the other countries would follow a year or more later. *As long as demand remained weak* in one or more major industrialized nations, world resources and production capacity would not be strained.<sup>5</sup>

But the international attack of the working class in the late 1960s is reflected in the *international synchronization of the economic cycle* in the 1970s. In the words of a business economist, "the steady rise in per capita income has changed consumption patterns in most industrialized countries, making demand-management policies more difficult to implement."<sup>6</sup> The working class has forced unified business cycles and has then used the international boom to generalize the wage struggle.

The second dollar devaluation and the energy crisis *had to follow*. It was capital's needed strategic adjustment: double-digit inflation, stagflation, in short, deepening the crisis. The well-timed wheat sale to Russia set the stage for the creation of *shortages* in 1973, its agricultural prices suddenly became bargains on the world market. The surge of foreign demand into the US market touched off an inflationary explosion of food and feed

prices, at the very same time inflation was also being fueled by the price leap for imports. Later in the same year the Yom Kippur War, financed on both sides by the same capital and managed by detente, and the "Arab" embargo triggered a fourfold increase in the price of oil.

This set the scenario for a new phase in the anti-working class attack: "uncontrollable" inflation, multinational management of shortages, Kissinger's politics of starvation and diplomacy of war.

### The Crisis from the Viewpoint of Capital

Capital understands the crisis as a *crisis of its command over labor*. In the very way capital chooses to describe the crisis, it focuses on productivity. The capitalist "scenario for survival" is littered with phrases like: "coping with shortages," "finding capital" and "living with inflation" in the midst of the "breakdown of financial markets."<sup>7</sup> But each of these has proven to be a consequence of the wage/productivity struggle of the working class.

Let us consider the *shortages* first. The fact that shortages reflect a great deal more than "excess demand" has become economic commonplace. For Alan Greenspan, "the wage escalation of the 1960s reduced the rate at which managers were willing to run productive facilities. It became more costly to put men on overtime."<sup>8</sup> Older plants once devoted to the production of basic materials were made uneconomic by high wage rates.<sup>9</sup>

In steel, nonferrous metal, industrial chemicals, paper, rubber and cement, there was not much left of "animal spirits" after the cost-push inflation that closed out the 1960s and the recession that opened the 1970s. Even after the recession, profits in most of these industries were lower than they had been since 1966 – lower in *current* dollars, unadjusted for inflation.<sup>10</sup>

Major materials shortages were sure to follow and they did.

Second, the class struggle has scared capital away from "entrepreneurial" investment toward "managerial" investment. In the Keynesian concept of "entrepreneurial investment," additional investment means additional employment. Keynes, however,

was writing during the Great Depression when labor was cheap. In this era of wage inflation, the relationship between capital investment and employment has been maintained but it has been increasingly channelled into projects that economize on labor.<sup>11</sup>

With managerial investment, additional investment does not mean

additional employment, but additional savings on labor. In 1969, for example steel companies in the US reported 64 percent of plant and equipment expenditure devoted to expansion and 36 percent to modernization. By 1973 the proportions were reversed: 28 percent for expansion and 72 percent for modernization. Capital shies away from living labor, but to do so it needs more capital. Capital is needed to offset rising labor costs, to increase productivity, to reduce the labor content of products, to do away with labor by making it more and more productive. Thus “finding capital” becomes the first imperative in the crisis. Capital needs are immense, on a scale never previously approached, at precisely the moment when the entire capital-raising network appears in a critical condition, squeezed between falling rate of profit and inflated interest rates.

The capitalist viewpoint, however, does not see “finding capital” as a simple technical problem. It sees it as a two fold political one. First as a problem of production which involves the imposition of increasing productivity and securing a satisfactory rate of profit. Second as a problem of the market and pricing which involves manipulating inflation as a source of capitalist accumulation. But these two problems merge into one when it is seen that inflation can only provide capital insofar as it is a means for imposing a stricter wage-productivity link on a social level. “We have no alternative but to attack the rate of inflation by increasing our productivity.”<sup>12</sup>

There is only one long term solution to the challenge of cost-push inflation: increased productivity. If labor's real wages are to keep rising, then labor's output per hour must rise by the same amount . . . In the second half of the 1970s, the US must come to grips with the necessity of increasing productivity – not just an inch at a time, but a real quantum jump. *It must somewhat breakdown the restrictive work rules and practices that limit labor's output.* <sup>13</sup>

The purpose of the capitalist strategy is to tilt the relationship between unpaid and paid labor, between capital and wage, back to a position that forcibly re-establishes the pre-eminence of unpaid over paid labor. We will see in the following sections how the “energy crisis” uniquely meets the requirements of capital's strategy for the crisis. (1) The energy crisis reduces total employment; (2) it increases the threat of unemployment, both generally and in selected sectors (e.g., auto); (3) it allows capital to be accumulated *en masse* through huge price increases in those very sectors (energy and food) that are dominated by the most powerful capitalists, the US-based multinationals.

Not surprisingly, *inflation*, the third part of the capitalist scenario, is



an occasion for much ideology. Demand-pull inflation is said to be caused by imperialism and war while cost-push inflation is associated with labor struggles at home. Thus for Keynesian liberals and neo-Marxists alike, the dynamics of inflation coincide with the cycles of imperialist wars while for Wall Street conservatives, wage-push is the universal source of inflation. In the Lekachman-Sweezy interpretation, the empire and its wars explain everything: the inflationary boom of the 1960s is the result of military spending; the 1969-1971 recession is due to a drop in defense contracts; and so on.<sup>14</sup> While for Harvard's Haberler in 1972,

wage push is an undeniable fact. It is overt when wages rise under conditions of unemployment because that clearly could not happen if there were competition in the labor market. It is not so clear, but it must be assumed a fortiori to exist, under conditions of high employment, because if unions are able to push up wages when unemployment is unprecedentedly high or rising, they are in an even better position to do so when unemployment is low and falling. It follows that even in clear cases of demand inflation it must be assumed that aggressive labor unions intensify and reinforce the demand-pull by wage push.<sup>15</sup>

The current interpretation by capital and the Left describe the inflation process as one which assumes the form of a two stage cycle. In the first stage, imperial and military Government requirements generate demand-pull inflation. In the second stage, workers, reacting to the threat of inflation, begin to anticipate price rises in their wage demands, in this way producing cost-push inflation. As always, the beginning is "the war," the struggle for independence of "Third World" nations. In the end, the North American working class is "forced" to enter the scene and put up a "defensive" wage struggle.<sup>16</sup>

From the working class viewpoint, we are not particularly interested in reconstructing the empirical dynamics of the inflation process, whether demand-pull or cost-push. We understand demand-pull and cost-push as simply two sides of the same "full employment" coin. We are interested in inflation exclusively for what it reveals about the class relationship. Inflation is the sign of working class struggle in the capitalist cycle. Since the Great Depression, inflation has been systematically used to contain the wage initiative of the working class. The "monetary illusion" is the main focus of the Keynesian acceptance of demand as the basis for economic development. Once capital has come to accept the working class wage demand, it must regulate it. It must transform the working class wage attack into a manageable internal demand. But, in its struggles since the New Deal, the working class has enthusiastically used "full employment"

as a condition for generalizing and sharpening the wage struggle.

The working class imposed "full employment" strategies on capital and then used them to overturn the power relationship between itself and capital. In the 1960s the wage demands of the traditional sectors of the working class became explosive *and* they detonated income demands in the social factory. Capital, therefore, had to respond with *both* full employment and the Great Society programs. When the wage/welfare struggles in the US met the international relaunching of the wage struggle, at that point, under the pressure of international attack, inflation might well have gotten "out of hand." The fine-tuned "new inflation" of the New Economics had given way to the "runaway inflation" of the crisis. Inflation got out of control when capital was no longer able to contain the wage struggle through anti-cyclical fiscal and monetary manipulation, i.e., through traditional planned recession. For what had gotten "out of hand" was the wage demand of the working class. At that point, the passage from cyclical recession to historical crisis that we have described was the only alternative open to capital.

We have seen that shortages and inflation are first forced on capital by working class struggle. In the crisis, capital tries to regain the initiative by taking on shortages and inflation together, i.e., by *causing inflation through the production of shortages*, particularly in energy and food.

From the capitalist perspective, energy is recognized as the fundamental *technological tool for the international control of the working class*. First of all, it is a *replacement for labor*.<sup>17</sup> Since World War II, capital has increasingly dealt with the working class on a daily basis by replacing labor with energy. Rapidly rising labor costs have met steady oil prices. As a result, by 1970 the manufacturing sector of the US economy used 66 percent more energy but only 35 percent more labor than in 1958. In its immediate application to the process of production, energy frees capital from labor. It follows that control over the availability and price of energy means control over the technological conditions of class struggle internationally and also control over economic development.

The cost of energy, moreover, plays an essential part in determining the international structure of *demand*. High energy industries will raise their prices first. As a result, consumer spending will drop first in those very sectors that make up the bulk of working class demand: fuel oil, household appliances, motor vehicles, gasoline, cleaning products, knitted goods, drugs, etc. Higher oil prices raise the profits of the energy multinationals as they hurt the demand of consumers.

This transfer of income could be painful. The oil industry uses much less

labor and more capital than do most other industries. And so the transferred income will benefit mainly profit recipients rather than wage earners...Thus higher oil prices imply *more savings and less consumption*.<sup>18</sup>

In this way the energy multinationals, through their control over supplies and their virtual independence from labor, take leadership in the accumulation of capital and in the international political control over the working class.

### The Energy Crisis

The present identity of interests between multinationals and OPEC rulers is revealed by the price hikes and embargo following the Yom Kippur War. For capital accumulation by OPEC is also capital accumulation by the Seven Sisters. Thus prices in the world market are allowed to dictate price levels in the US even though the US is two-thirds self-sufficient in oil. The profits of OPEC countries and of the oil companies can *together* finance the enormous capital spending projected for the years ahead.

It has always been clear that in the long term reinvestment of the oil funds both in OPEC and in the oil-consuming countries is the only solution. For the multinational experts of *Foreign Affairs*, the crisis represents "a great opportunity."

Paradoxically, there is a great opportunity which lies beneath the surface of this immense "recycling" problem. In essence, the world today is starved for capital. Greater investment not only in the OPEC countries but everywhere is an essential condition for the enlargement of output and lowering of real costs that offer the most effective counterforce to persistent worldwide inflation. In this situation *consumer payment for high-priced oil in the importing countries represents* a diversion from other forms of consumption, in effect *a form of forced savings*, with the proceeds of these payments becoming, at least in part, investable funds in the hands of the OPEC countries. If the OPEC countries, in turn, had the proper outlets and were ready to employ their investable funds, they could make a crucial contribution to the capital formation that the world so urgently needs.<sup>19</sup>

But in the short term, capital faces certain problems: a breakdown of the stock market and a balance-of-payments deficit for oil-consuming countries.

Consider the stock market. As an institution, the stock market can only

survive under two conditions: low interest rates and stable or growing rates of return on invested capital. As we have seen, the class struggle of the 1960s has imposed inflation-high interest rates and a falling rate of return. A recent reappraisal of the trend of the rate of return shows that "the 'genuine' after-tax return on invested capital of non-financial corporations has been downward since 1965 . . . It fell from 10 percent in 1965 to 5.4 percent in 1973 . . . The downward trend continues."<sup>20</sup> The decline of the stock market becomes all the more visible as it fails to recycle the OPEC surplus funds. The widely noted OPEC strategy of short-term deposits is imposed by the realities of the money markets, in particular by the increasing depreciation of stock. For capital, the recycling question is not a specifically financial question at all. It is part of a general political problem of reversing the downward trend in profits, or how to guarantee a satisfactory return on investment. In the words of a Harvard economist,

the declining rate of return stands the whole question of a capital shortage on its head . . . It is no longer a question of whether businessmen will have enough savings to invest, but rather of *whether they will want to invest*.<sup>21</sup>

Under such conditions of uncertainty, says a Wall Street man, "investors are no longer willing to invest their savings in securities and the nation's capital-raising machinery is gradually dissolving . . . This foreshadows the end of the free-enterprise capitalistic system as we have known it."<sup>22</sup>

Capital has moved in the crisis to a completely *closed circuit* outside the market. Corporations will have to rely on a combination of internal financing and loans from the banking system. "Recycling" must occur through the banks and government-to-government transactions. This is then the meaning of the energy crisis: capital *escapes* from those sectors of investment and those geographical areas where the wage struggle has taken its toll on accumulation. Through inflation, it transforms working class income from the US, Western Europe and Japan into oil profits and OPEC "surplus" funds. This transformation implies, among other things, an increased independence of capital from the money markets and a greater political concentration of capital in multinational hands. In a sense, this flight of capital is simply a *tactical retreat*, a precondition for a new worldwide wave of multinational investment.

This identity of interests between the US and OPEC countries goes way back. In 1950 the State Department, in collaboration with the Treasury Department, granted the oil companies substantial foreign tax credit. This tax credit put a premium on the interest of oil companies in multinational

operations at the same time that it increased the share going to the governments of oil producing countries.<sup>23</sup>

The price of oil, in the meantime, was kept stable. On the availability and stability of "cheap oil," capital built its control over the working class both domestically and internationally since World War II. In the US, a whole phase of capitalist initiative – the auto industry, the interstate highway network, urban planning, etc. – was based on "cheap oil." In Europe, post-war economic development subsidized by the US government created a market for oil that the Seven Sisters were quick to penetrate, expanding their share in it fivefold between 1955 and 1970. By the 1960s, oil controlled economic development everywhere. By 1971 it had become the "oil weapon."

The price hike of the Teheran agreement (1971), jointly imposed by OPEC members and the US State Department, dealt a first preliminary blow to the working class in Europe and Japan. In 1973, the Yom Kippur War marked the beginning of a new multinational anti-working class offensive led by the US. It caused simultaneously an intensification of the attack on Western Europe and Japan, an escalation of an anti-working class attack in the US and starvation in selected parts of the "Third World."

In 1973, the bulk of the Seven Sisters' profits came from sales to Europe and Japan. At the end of the year, *The Wall Street Journal* could editorialize with satisfaction:

It seems like just the other day everyone was worried that Japan was going to buy up the rest of the world at the same time it was burying it in Toyota's and Sony's . . . Doomsayers here and abroad were concluding that for the US the party was over . . . The Arab oil squeeze has changed all this . . . The oil embargo stripped Japan of its aura of industrial invincibility . . . Even when the oil embargo ends, the higher prices will remain and no doubt advance. Every increase further changes the terms of trade to the disadvantage of Japan and Western Europe.<sup>24</sup>

By 1974, however, the oil weapon was turned against the North American working class and big profits were squeezed out of the US market.

Behind the ritualistic position of diplomatic adversaries that the US and OPEC countries necessarily entertain during international bargaining sessions, stands their Holy Alliance. OPEC rulers can maintain their earnings and thus their own power only if oil demand or oil prices strengthen in the years ahead. As far as the surplus funds are concerned "We don't have to beg them to invest in oil-consuming countries," says a Federal Reserve System economist, "They have no choice."<sup>25</sup>

The US and the multinationals also need OPEC as a major market for goods and as a main source for loans. In 1974, total OPEC imports were up 50 percent. The considerable expenditures on the infrastructures and internal development programs undertaken by the OPEC rulers will have the effect of strengthening consumers' markets in the more populated OPEC countries. Finally, "whether the US faces a credit crunch later this year (1975) and an aborted economic recovery may depend on persuading OPEC countries to help finance the enormous budget deficit."<sup>26</sup> Saudi Arabia's Minister of Finance has said: "We feel our responsibility to the whole world."<sup>27</sup> While a Wall Street consultant recently reminded his clients, "they (the Arabs) haven't done anything silly."<sup>28</sup>

However, it is class struggle – working class struggle in industrialized countries and the wage pressure of the unwaged in the OPEC countries – not "imperialism" or "monopoly capital" that has brought this alliance into being. Where the class struggle, and the class struggle in the OPEC countries in particular, might eventually bring this alliance, is a different question.

For the Holy Alliance, the problem is not at all the high price of oil. High oil prices, as Kissinger has recently explained, are in everyone's interest. The important question is *control over development*, control over who is going to develop and so *control the movements of the working class*.

We can begin to glimpse something of the new class dynamics inside OPEC. The more populous members – Iran, Algeria – are under powerful wage/demand pressure. Given that their collective surplus funds have fallen from \$27 billion in 1973 to \$4 billion in 1974, the World Bank's latest estimate is that by the end of the 1970s, they will spend everything they will earn on internal development. But what kind of "internal development."

The forms of struggle arising in the Middle East will determine the course of development, and it could be rash to delimit them at this point. However, it must be clear that the "Palestinian Question," the Arabian importation of masses of labor power from Africa and Asia and Persian "industrialization" represent a dynamics of class struggle that belongs to the present crisis and neither to a "pre-industrial past" nor to a mere repetition of previous struggles in the West. It is not inevitable that the assembly line will be dismantled in Detroit and whisked to Bandar Abbas. That will depend upon the level and kind of class struggle the Arab and immigrant proletariat determine. Indeed, there are indications that laborless oil and petrochemicals will constitute the leading growth sectors in countries like Iran as well as in the most "developed" areas. In that case, the new "model of development" would be *the crisis*.

The higher price of oil attacks the working class as a whole; this general attack on the class is founded on a discriminatory attack on the "marginals" or on low-waged and unwaged workers. Clearly, this kind of inflation indicates the end of the Keynesian era. In the crisis, it becomes a means of reducing the total wage and of selectively repressing the working class, whereas previously inflation was used as a means of managing demand, correlating wages with productivity and so producing economic development.

But along with the passing of Keynesian inflation goes Keynesian *unemployment*. This is indicated statistically by the higher rates of unemployment in the "advanced" capitalist countries, but the quantities hide the selectivity and its planned duration. Unemployment is not to be used as a transitory device to temper wage demands within specific sectors rather what is at stake is the *destruction and re-ordering of sectors*. Unemployment becomes the tool of restructuring by cutting and freezing out specific working class vanguards defined, by capital, either occupationally (autoworkers, construction workers), racially (blacks), sexually (women) or by age (young). Through unemployment capital must teach a lesson to the protagonist of urban insurrection and of factory and welfare insubordination. Unemployment must also punish feminism, the insubordination and the wage struggle of women; it tries to push women back into the family, that is, into wagelessness. Finally, unemployment must restrain the young who have learned insubordination in school and in the army and have used part-time work and the "youth culture" to struggle against work.

But this sectorial destruction involves the "freezing" of whole blocks of the working class. It is politically impossible to do this in the good old way of beggary and starvation, rather it must be tactically managed with anxious care. So we have a whole new constellation of unemployment insurance, food stamps, mortgage loans, public jobs and workfare for the "new poor."

Let us now sum up capital's analysis of the crisis. Its strategic perspective appears to be dominated by the need to impose (more) work, to increase productivity, to re-establish the supremacy of dead labor or accumulated capital over living labor and so over the working class. The capitalist line of thinking is classically simple: a) capital fails to command (enough) labor. This means that b) more capital is needed to command labor. Therefore, c) more labor must be squeezed out of production. The capitalist mind is aware that this sequence is ultimately a vicious circle. Hence its outburst of despair over survival and the revival of a stagnationist mood among political economists.

### Supply Management and the Crisis of Auto

Supply management, or the controlling of inflation through international commodity shortages, represents capital's departure from a directly political level of confrontation that the working class has assumed. It appears, at the outset, not as a confrontation between the working class and the State as demand management did; but, in effect, as a contradiction within the working class. So it is presented as a contradiction between the "developed" and the "underdeveloped" world, between excessive consumption and excessive procreation in a zero growth, depleted and impoverished planet.

In fact, the crisis of demand management highlights the *end of an era* in the class relation. One could call it the *era of auto*, the *age of Keynes*, when the control of the working class was based on mass production, on the *assembly line*, and the parallel acceptance of *working class demand* as the stimulus for economic development. The age of Keynes necessitated a new role for the trade union, as the official mediator of class struggle and direct controller of the working class, and a new role for the State, as planner of the class relationship, protagonist of capital's general initiative and manager of the cycle. Above all, the era of auto witnessed the theoretical and practical discovery of the *cycle as the new form of the relationship between capital and the working class*.

The four decades between the beginning of the New Deal and the energy crisis have openly shown that the economic cycle is a cycle pushed by the wage struggle, mediated by the trade unions and fine tuned by the State. Again and again, the world over, the working class has used the cycle as an occasion for generalizing and internationalizing the wage struggle. Again and again, the world over, assembly-line workers and mass workers have been in the forefront of the wage attack. Demand management and the assembly line – together they were to guarantee economic development. Instead, they have unleashed a formidable class struggle.

In the crisis, demand management by national governments gives way to supply management by multinational corporations, while assembly line production enters its last historical phase.

Capital has had troubles with the assembly line and with mass workers ever since it first started using them. In the US each major cycle of working class struggle has been followed by a renewed capitalist attempt to isolate the assemblers by a wave of "runaway shops" in textiles, electronics, auto, steel, etc. After the sitdowns of 1937, after the post-war strike peak of 1946, then again during the second half of the 1960s, capital engaged in



successive waves of industrial investment abroad, i.e., it intensified the export of production jobs overseas while focusing on the development of the "service sector" at home. In the short term, the multinationalization of the factory and of the assembly line seemed an adequate solution. In the long term, of course, it only relaunched the problem worldwide.

The sustained worldwide wage attack that the working class has carried out between 1967 and today has been, in part, based on the initiative of the assemblers and, in particular, the autoworkers. By the early 1970s, autoworkers were on the attack everywhere, in Detroit, Tokyo and Turin as much as in Barcelona and in Villa Constitución. They were on the attack not only where capital has brought the "third world" to the factory, as in the case of "guest workers" in Germany and France, but also where it has brought the factory to the "third world," as in Argentina and in Spain. This is an important fact, for it obviously demonstrates that the process of the international recomposition of the working class (of which the tendential homogenization of wage levels is only one result) has undercut capital's strategy at its very roots. Capital is quickly running out of places to run away, and the working class is still on the offensive. What follows then is the only solution: the crisis of auto, of labor-intensive production, that is, the demobilization of autoworkers, of assemblers, of production workers at large.

In the crisis, capital comes to accept that the working class struggle has rendered labor-intensive industry obsolete in its role as accumulator of capital. To the historical crisis of labor-intensive production, corresponds a tremendous development for capital-intensive industry, particularly the energy multinationals, where capital has obtained extreme concentration, complete control over supply and virtual non-dependence on labor. With one move, the energy crisis marked the beginning of the auto crisis on the one hand and produced stepped-up accumulation for oil and petrochemicals etc., on the other. This is the only real "technological leap" of the crisis: no growth, recession and restructuration for troubled labor-intensive sectors; quantum-leap growth and leadership in accumulation for energy-intensive sectors and for energy itself.

The crisis of auto represents the end of an era in the class relation not the simple obsolescence of the car. Cars will still be produced. Some "Third World" countries will be playing a role in automotive production. GM has just started production Teheran, while FIAT has been building its new pole of development in Belo Horizonte, Brazil. But the organization of production will be different.

### Capital's Multinational Strategy

The general form of capital's initiative today is *disequilibrium*. Capital must attempt to transform a crisis imposed by the working class attack against profit into a restructuration of its own circulation through disequilibriums. Capital's objective becomes a fragmentation of the working class on which a new capital recomposition can be based. It must depart from wherever it has met the class struggle and concentrate on new and different possibilities of control of the working class. It must attempt to *separate* the struggles of the international working class and to play development and underdevelopment against, each other. That is, capital must respond *multinationally* to an *international* working class.

These are the opposing movements of the class struggle today: the international political homogenization of the working class *versus* the multinationalization of capital. The working class struggle constantly overcomes national differences; multinational capital coordinates them internationally. In fact, the multinational corporation is *based on* the national difference, on the economic and political exploitation of the national difference throughout the international articulation of the world's labor and commodities markets. Thus the national difference is no paleo-capitalist heritage; it is a primary tool for the control of the working class at its historically highest level of political recomposition.

Of course, this holds true for any determination of the national difference: sex, race, ethnicity, etc. "Racism" is a thing of the future. Mass migration, ghettoization, systematic discrimination are "advanced capitalist" tools, not leftovers from a mythical pre-capitalist stage. Even in this, the US shows its role of historical vanguard. Europe is now facing its own "race problem," that is, mass production firmly in the hands of racial ghetto dwellers; while Canada rushes to put a lid on the immigration of non-whites. In the "Third World," poles of development are creating and corroborating new dynamics of racial segmentation. Oil money has already started a whirlpool of fresh, multinational labor power in the Middle East in general and in Saudi Arabia in particular; further the key to class composition in Africa is racially defined migratory labor.

This is why the problem of the nature of "imperialism" (whether "pillage of the Third World" or "state of economic development") is a false problem. The new multinational imperialism as such is neither for underdevelopment nor for development, neither for "fascism" nor for "democracy." It is for *both* at the same time for fascism in Chile and for "democracy" in Greece. As general capitalist strategies, both underdevelopment and development have failed. For capitals' multinational initia-

tive the question now is how to directly oppose development and underdevelopment against each other, *how to make underdevelopment work completely inside development*, how to multinationally reimpose the contradiction between development and underdevelopment as a *contradiction within the working class*. What that means today is a worldwide increase and internationalization of underdevelopment. Thus, with regard to the traditional areas of Development and Underdevelopment, we witness two opposing dynamics: underdevelopment of Development (the "Latin-Americanization" of the US, Britain and Japan) and a development of Underdevelopment, which includes both a new wave of development (e.g., Iran) and increased underdevelopment (e.g., India). The dynamics of managed food and energy "markets" reflects this strategy of disaggregation most clearly, for example when Iran and India must compete for fertilizer and wheat within US planned multinational shortages.

Like development and underdevelopment, "democracy" and "fascism" are assumed by capital not as opposing capitalist strategies (for as such they have both proved inadequate), but as *tactical weapons*. The countries in which the class struggle has developed the furthest have shown this aspect more clearly. In Chile, for example, capital has made use of the Christian Democrats-UP-Army *sequence* for the control of the working class. Greece has shown the other face of the process: politically defeated military rule giving way to experiments in a "civilian" or "mixed" control over the working class. Argentina has expressed the whole movement as a continuous passage of initiative from civilian to military rule and then back again, a most obvious sign of the ungovernability of the working class. In this respect, the Portuguese situation has gone even further, toward the dialectical identity of civilian and military rule, with the Army at the Ministry of Interior and the Communist Party at the Ministry of Labor.

Under the attack of the working class, the traditional political differences in the democratic "body politic" disappear, and the function of the "body politic" as a whole becomes purely repressive: to impose work on the working class by whatever means necessary, whether by democracy, fascism or socialism. National-Emergency governments, last-minute attempts to contain the working class explosion spring up everywhere, with the Army already overseeing the political process. In the crisis, the working class directly clashes with the political system *as such*. The entire political system, from the C.P. to the Army, is completely hostile; it is capital. The struggle is between the political system's enforcement of work and the working class struggle against work.

"Food is a weapon," says the US Secretary of Agriculture. "It is now one of our principal tools in our negotiating kit," echoes the CIA.<sup>29</sup>

Only days after President Ford approved the sale of 2.2 million tons of wheat to the Soviet Union . . . Kissinger told Indian officials that the US would be able to supply about 500,000 tons of grain at reduced prices in the next months to help meet the Indian crisis. India needs at least seven million tons to overcome her deficit.<sup>30</sup>

As the single most important component, or the core of working class consumption the world over, food plays a central role in capital's international attack. The lower the income, the higher the portion of it that must be spent on food. At the lowest level, and the lowest level is a *mass* level, one's entire income buys malnutrition and starvation.

Where increased underdevelopment is chosen as the local form of multinational rule (for example, India and Bangladesh), hunger and absolute deprivation become the essential tools of control. Workers who do not eat enough cannot earn enough to feed themselves.<sup>31</sup> Where increased underdevelopment is chosen, the food crisis means control of the hungry through the food dole, i.e. planned malnutrition, mass migration backed by force, concentration/relocation camps, etc. Today, one third of the urban population in the underdeveloped world lives in "slums and squatters' settlements." By 1980, that proportion will rise to two thirds.<sup>32</sup> The *new city slum* in Asia, Africa and Latin America is and will increasingly be a major protagonist in the class confrontation. For capital, the slum is a means for doling out controlled sub-survival. For the working class, it is a possibility of income, a new mass level in the wage struggle. The United Nations is piously striking a warning.

Squatters' settlements are new areas created by their own inhabitants to protect themselves and mobilize minimal resources. The occupants of shantytowns at the outskirts of big cities are *united in common cause*. Initially, they can only afford a primitive shelter, but they may quickly press for higher living standards, schools and health care.<sup>33</sup>

For the working class in the developed countries, the food crisis means that it is required to "share the burden" of feeding the "Third World," by eating less and by paying more for food. The starvation of underdevelopment is pitted against the living standards of the working class in the metropolis. Within the metropolis, food operates with the same mechanism of division as it does internationally: lower-income consumers pay more for their food than higher-income consumers.<sup>34</sup> Hunger, starvation become absolute terms of reference for the working class internationally.

The absolute deprivation of the Chilean working class since the military coup must teach something to the working class everywhere.

It takes a most rigorous *planning* to turn a potential abundance of food into such fine-tuned scarcities as are necessary for the political control of the working class. Capital makes use of everything and everybody to limit the food supply: from "feudal landlords" and "corrupt leaders" in the "Third World," to federally ordered "setting aside" practices; from detente with Russia to the highly sophisticated market manipulations of the energy/food multinationals.

Less than two weeks after the deal (the 1972 wheat sale to Russia) was consummated . . . Secretary of Agriculture Earl Butz announced that during the 1973 wheat-crop year farmers would be required to "set aside" the maximum acreage authorized by law.<sup>35</sup>

In these ways, capital manages to keep up a marginal situation extending into the future in which *anything*, from market transactions to changes in the weather may precipitate mass starvation. Planned scarcities allow for diplomacy by "triage," or, to use a favorite euphemism, "let nature take its toll." At its historically highest level of development, capital rediscovers "Nature" as starvation, as death coming from shifting monsoons.

### The Crisis of Economic Theory

The separation of the working class and production is the culmination of capital's long-term progressive attempt to free itself from labor, but in order to do away with labor capital must make it more and more productive. "The increase in the productive force of labor and the greatest possible negation of necessary labor is the *necessary tendency of capital*."<sup>36</sup> The fundamental mechanisms of the capitalist relation (the extraction of relative surplus value, the falling rate of profit, etc.) are bound up with this, for it is the capitalist tendency *par excellence*.

In the crisis, however, capital begins to test a *new level* in the development of this tendency: the production of wealth without labor. We see this most obviously in two fundamental sectors of the crisis: oil and food. The cost of producing a barrel of oil is a little over a dime; so stripped of profits, royalties and taxes, oil is virtually free. On the other hand, US *agriculture*, the most powerful producer, the one upon which the entire world food situation has come to depend, employs only a minute fraction of the North American labor force. Capital has come to achieve laborless production in precisely those sectors which are essential for controlling

the working class: energy and food. Capital needs a free hand in wielding its weapons. It follows that no autonomy of labor can be allowed in such crucial sectors.

This new level in the development of the “necessary tendency” of capital – the production of wealth without labor, itself the result of a dynamics of the class struggle that Marx analyzed – has remained completely beyond the reach of the Marxist tradition and of neo-Marxists today, whether of a social democratic, Bolshevik or “libertarian” variety. True, there has been a “rediscovery of Marx” within the setting of the crisis and the breakdown of economic theory, but the Marx that parts of capital and the Left have discovered is Marx the *economist* of the falling rate of profit and the labor theory of value. Capital’s understanding of the crisis is based on the recognition of a dramatically falling rate of profit, whereas capital’s strategy for the crisis is firmly grounded on a labor theory of value. Has capital finally turned Marxist? *Apparently* it has. The class struggle has done away with any dreams of equilibrium and development. It has dispensed with Say, with Schumpeter and with Keynes. For capital the only economist with enough hold on the class struggle is Marx. Really, Marx is the only “economist” who never forgets the class struggle within the context of the labor theory of value. Thus the “new” Marx is only a continuation of a “Marxism” concerned with a more progressive *management of labor*, i.e., with the imposition or self-imposition of work, through the trade unions, collectivization or “self-management of production.”

Whereas “Marxists” project labor as an eternal human necessity and are fond of *planning work* by socialist means – whether “from above” or “from below” – the capitalist *reality* is already beyond work. It is with this recognition that we find the Marx, of the working class viewpoint. For what we are witnessing is nothing less than the abolition of productive work within the capitalist mode of production itself. This new step, missed as it is by contemporary “Marxists,” is in fact anticipated in Marx’s own analysis of the necessary tendency of capital.

Because of the insights they afford into today’s class situation, we will quote at great length from Notebooks VI and VII of the *Grundrisse*, and will then briefly emphasize some of the points. Let us start from the definition of the ‘necessary tendency’ we have already quoted, and proceed from there.

The increase of the productive forces of labor and the greatest possible negation of necessary labor is the *necessary tendency of capital* . . . The transformation of the means of labor into machinery is the realization

of this tendency . . .<sup>37</sup> In machinery, objectified labor itself appears not only in the form of product or of the product employed as a means of labor, but in the form of the force of production itself . . . [With machinery] the accumulation of knowledge and of skill, of the *general productive forces of the social brain*, is . . . *absorbed into capital*, as opposed to labor, and hence appears as an attribute of capital, and more specifically of *fixed capital*, in so far as it enters into the production process as a means of production proper . . . Further, in so far, as machinery develops with the accumulation of society's *science*, of productive forces generally, *general social labor presents itself not in labor but in capital*. The productive force of society is measured in *fixed capital* . . .<sup>38</sup> [T]he transformation of the production process from the simple labor process into a scientific process, which subjugates the forces of nature and compels them to work in the service of human needs, appears as a quality of *fixed capital* . . .<sup>39</sup> Thus all powers of labor are transposed into powers of capital.<sup>40</sup>

[T]o the degree that large industry develops, the *creation of real wealth comes to depend* less on labor time and on the amount of labor employed than on the power of the agencies set in motion during labor time, whose 'powerful effectiveness' is itself in turn out of all proportion to the direct labor time spent on their production, but depends rather on *the general state of science* and on *the progress of technology*, or the application of this science to production . . . *Agriculture*, e.g., becomes merely the application of the science of material metabolism . . . Real wealth manifests itself in the monstrous disproportion between the labor time applied, and its product . . . [The] worker steps to the side of the production process instead of being its chief actor. In this transformation it is neither the direct human labor he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and its mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the foundation-stone of production and of wealth. The theft of alien labor time, on which the present wealth is based, appears as a miserable foundation in face of this new one, created by large-scale industry itself. As *soon as labor in the direct form has ceased to be the great well-spring of wealth, labor time ceases and must cease to be its measure*, and hence exchange value [must cease to be the measure] of use value. The *surplus labor of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labor of the few*, for the development of the general powers of the human head. With that, production based on exchange value breaks down and the direct, material production process is stripped of the form of penury and antithesis. The free development of individualities, and

hence not the reduction of necessary labor time so as to posit surplus labor, but rather the *general reduction of the necessary labor of society to a minimum, which* then corresponds to the artistic, scientific, etc. development of the individuals in the time set free, and with the means created for all of *them*. *Capital itself is the moving contradiction, [in] that* it presses to reduce labor time to a minimum, while it posits labor time, on the other side, as sole measure and source of wealth . . . On the one side, then, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labor time employed in it. On the other side, it wants to use labor time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value.<sup>41</sup>

*The creation of a large quantity of disposable time* apart from necessary labor time for society generally and each of its members...., this creation of not-labor time appears in the stage of capital, as of all earlier ones, as not-labor time, free time, for a few. What capital adds is that it increases the surplus labor of the mass by all the means of art and science, because its wealth consists directly in the appropriation of surplus labor time . . . It is thus, despite itself, instrumental in creating the means of social disposable time, in order to reduce the labor time for the whole society to a diminishing minimum, and thus to free everyone's time for their own development. But its tendency is always, on the one side, to *create disposable time, on the other to convert it into surplus labor* . . .<sup>42</sup> The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labor, but that the *mass of workers must themselves appropriate their own surplus labor*. Once they have done so – and *disposable time* thereby ceases to have an *antithetical* existence – then, on one side, necessary labor time will be measured by the needs of the social individual, and, on the other, the development of the power of social production will grow so rapidly that, even though production is now calculated for the wealth of all, *disposable time* will grow for all. For real wealth is the developed productive power of all individuals. The measure of wealth is then not any longer, in any way, labor time, but rather disposable time.<sup>43</sup>

Let us sum up the essential points of Marx's analysis.

With the development of machinery and the application of science to production, the productive powers of society appear embodied not in labor, but in capital, namely in fixed capital. In so far as machinery develops with the accumulation of science, general *social labor presents itself not in labor but in capital*. “[A]ll powers of labor are transposed into



powers of capital."<sup>44</sup>

The creation of real wealth comes to depend increasingly less on labor and labor time and increasingly more on the general state of science. *Science becomes immediately productive*. Real wealth manifests itself in the "monstrous disproportion" between labor time and products. The development of large industry turns the proportion between necessary labor and surplus value (i.e. the degree of productivity of necessary labor) into a relationship devoid of significance because of how tiny necessary labor has become compared to the huge mass of accumulated dead labor employed in production. The new qualitative leap in the historical development of the capitalist mode of production is further reduction of necessary labor time (i.e., a further increase in the productivity of labor); it is above all a radical devaluation of labor time as an essential component of the process of production. In the Tendency, capital is pushed *beyond value*. Once labor ceases to be the wellspring of wealth, value ceases to be the mediation of use-values. With a radical revaluation of labor corresponds the suppression of the law of value and then any relationship between value and price is severed.

Thus capital necessarily moves toward the "non-labor" of the mass, the reduction of the necessary labor of society to a diminishing minimum and so a new production arrangement in which wealth is no longer measured by labor time but by disposable time, no longer by the yardstick of capital but by the yardstick of the working class. "Capital works towards its own dissolution as the force dominating production."

This movement toward the dissolution of capital, however, is a contradictory process. Capital itself is, in fact, the moving contradiction: while on one side it reduces labor time to a minimum on the other it wants to use labor time as the sole measure of wealth. That is, the very moment capital does away with labor in *production*, it attempts to impose labor again as *a form of control of the working class*.

Let us leave the question of what Marx "really meant" aside for Marxologists to consider. We are interested in how the "necessary tendency" is specified in the class relation we are living in. *In the crisis*, this tendency reaches its highest peak, and the production of wealth without labor is recognized as the *dominant mode of production*. The working class perspective of *no work*, then is neither a Communist utopia nor a capitalist tendency. It is simply the new basis of material production.

As we have seen, however, capital turns such amazing new productivity into a multinational *redistribution of scarcity*; this scarcity is then used to *enforce work* on the class. This is the basic contradiction in the class

relation today: on the one hand, laborless production liberating capital from labor as a value-producing activity; on the other hand, enforcement of work as an instrument of political control. This is the reason for the tremendous emphasis that the capitalist perspective places on *more work* as the way out of the crisis. It is not at all a question of capital's "false consciousness": more work is absolutely crucial for any capitalist "solution" of the crisis. But what is "work," then, when it is no longer productive activity?

It is imposition of political control in its purest form: forced activity for the working class and reaffirmation of capital's power as control over the class. When the productive appearance and economic justification of labor are taken away what is left is the general political characteristic of the capitalist relation, defined by Marx (with regard to factory work) as "*regimentation, . . . discipline, regularity, and posited dependence . . . on capital.*"<sup>45</sup> In a word, what is left is the exercise of capital's command as the power to control the political behavior of the class and so to contain the anti-capitalist struggle. The economists are right when they are asking for more work. This is precisely what capital needs: more control over the working class struggle.

Capital's doing away with labor, or the separation of working class and production, is not the result of any abstract "scientific progress." On the contrary, it is a result of the struggle of the working class. This is why the capitalist outcome of the "necessary tendency" cannot be full "automation" (capital's long-standing dream of ultimate technological achievement), but it must be the imposition of work which is the assertion of capital's control over the class through the crisis.

### Notes

<sup>1</sup> The political sources for the analysis of the wageless for this article are to be found in: Mariarosa Dalla Costa and Selma James, *The Power of Women and the Subversion of the Community*, Falling Wall Press, 1972; Selma James, *Sex, Race and Class*, Falling Wall Press, 1975; Silvia Federici, *Wages Against Housework*, Falling Wall Press, 1975. Many of the ideas in this article were first published in Antonio Negri "Tesi sulla crisi," in S. Bologna, P. Carpignano, A. Negri, *Crisi E Organizzazione Operai*, Feltrinelli, 1974; Ferruccio Gambino, "Terrorismo anti-operaio: i nemici sono qui," *Potere Operaio*, December 1973; and S. Bologna, "Questini di methodo per l'analisi dell piano chimico," *Quadri Piacentini*..

<sup>2</sup> See Paulo Carpignano, "Working Class Composition in the Sixties," *Zero work* 1.

<sup>3</sup> D. Bell, "The Revolution of Rising Entitlements," *Fortune*, April 1975.

<sup>4</sup> A. Weber, *In Pursuit of Price Stability*, The Brookings Institution, 1973, pp. 2-7.

<sup>5</sup> "The Danger of Uniform Economic Cycle," *Business Week*, 16 February 1974,

emphasis mine.

<sup>6</sup>Ibid.

<sup>7</sup> "Reappraising the Seventies: Scenario for Survival." *Business Week*, 14 September 1974.

<sup>8</sup> "Why Business Ran Out of Capacity," *Fortune*, May 1974, p. 263.

<sup>9</sup> *Fortune*, January 1974.

<sup>10</sup> *Fortune*, May 1974, p. 268.

<sup>11</sup> Op. cit., 1 p. 266.

<sup>12</sup> *Business Week*, 14 September 1974 p. 112.

<sup>13</sup> Ibid.

<sup>14</sup> R. Lekachman, *Inflation*, Vintage, 1973; P. Sweezy and H. Magdoff, *The Dynamics of US Capitalism*, Monthly Review Press, 1972.

<sup>15</sup> G. Haberler, et al, *Inflation and the Unions*, The Institute of Economic Affairs, 1972, p. 20.

<sup>16</sup> "The Built-in Biases that Controls Can't Stop," *Business Week*, 14 September 1974, F. Ackerman and A. MacEwan, "Inflation, Recession and Crisis," *Radical America*, January-February, 1972; R. Boddy and J. Crotty, "Class conflict, Keynesian Policies and the Business Cycle." *Monthly Review*, October, 1974.

<sup>17</sup> *Fortune*, May 1974, p. 191.

<sup>18</sup> Ibid., emphasis mine.

<sup>19</sup> Quoted in *The New York Times*, 5 January 1975, emphasis mine.

<sup>20</sup> *Business Week*, 14 January 1974, p. 71.

<sup>21</sup> Ibid., emphasis mine.

<sup>22</sup> Quoted in *Business Week*, 14 September 1974, pp. 120 and 126.

<sup>23</sup> In 1950, Aramco paid Federal taxes of \$50 million. In 1951 it was \$6 million. While in 1950, Aramco paid \$66 million to Saudi Arabia. In 1951 this jumped to \$110 million.

<sup>24</sup> *The Wall Street Journal*, 3 December 1973.

<sup>25</sup> *The New York Times*, 26 December 1974.

<sup>26</sup> *The New York Times*, 20 April 1975.

<sup>27</sup> Ibid.

<sup>28</sup> *The Wall Street Journal*, 7 November 1974.

<sup>29</sup> "CIA Says World Food Scarcity Could Give US Great Power," *The New York Times*, 16 March 1975.

<sup>30</sup> *The New York Times*, 5 November 1974.

<sup>31</sup> According to an M.I.T. nutritionist, "in regions where malnutrition is common . . . laborers often have to be given tasks that take only two to three hours a day. Men and women can't work longer on the calories their meager diet provides . This lack of productivity tends to be self-perpetuating. The person who can work only a few hours a day can't earn enough to buy the food that would make a longer workday possible, (Quoted in *The New York Times*, 6 October 1974).

<sup>32</sup> "1974 Report on the World Social Situation" a U.N. report, quoted in *The New York Times*, 20 October 20 1974.

<sup>33</sup> *The New York Times*, 20 October 1974.

<sup>34</sup> "The price of food for a family on a low cost diet rose 12.7 percent in 1974, while food prices for families on a liberal food plan rose to 10.5 percent, 2.2 percentage points less. This differential reflects the fact that food consumed in greater quantities by poor families rose most in price during 1974." (US Congress Joint Economic committee, "Inflation and the Consumer in 1974.")

<sup>35</sup> *Fortune*, January 1974, p. 166.

<sup>36</sup> K. Marx, *Grundrisse*, translated by M. Nicolaus, Penguin Books, 1973, p. 693.

<sup>37</sup> Op. cit., p. 693.

<sup>38</sup> Op. cit., p. 700.

<sup>39</sup> Op. cit., p. 700.

<sup>40</sup> Op. cit., p. 701

<sup>41</sup> Op. cit., p. 704-706.

<sup>42</sup> Op. cit., p. 708, Marx's emphasis.

<sup>43</sup> Ibid.

<sup>44</sup> Op. cit., p. 701.

<sup>45</sup> Op. cit., p. 587.

## 10

### CRISIS IN THE AUTO SECTOR

*Peter Linebaugh & Bruno Ramirez*

THE CURRENT AUTO CRISIS HAS ITS MOST IMMEDIATE ROOTS IN THE TYPE OF control that auto producers sought to impose on their workforce during the last decade. Fundamentally, the crisis reflects an impasse in the relations of power between capital and the working class, an impasse which in recent years has been made more visible by the ongoing upsurge of autoworkers' struggles. Clearly, the expansion that the auto industry experienced internationally during the 1960s rested on a number of factors that were not destined to last.<sup>1</sup>

One such element was auto capital's remarkable mobility on an international level in search of geographical areas which not only would provide cheap and fresh sources of labor power but would also guarantee the stability of accumulation. Another element, particularly in the industrialized areas, was auto capital's access to fresh supplies of labor power whose characteristics made it prone, at least in the short run, to high levels of exploitation. In Europe during the 1960s immigrant labor performed this function of expansion for the auto industry. As the *Economist's Intelligence Unit* (second report) explains,

The plentiful supply of relatively undemanding labor, young and hard working, has favored a degree of economic development that would not have been possible without them. They have increased productivity by removing labor bottlenecks and have encouraged capital investment by being more prepared to work night shifts. They have kept wage levels from rising too fast and at the same time have enabled European workers to move into higher skilled jobs. They have been less demanding on the social services because of their age structure and have been prepared because of their mobility to move in and out of short-life jobs.

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While we cannot say that the struggles of autoworkers *everywhere* in the 1960s operated as the mass working class vanguard, organizing and unifying struggles in other sectors, nevertheless to one degree or another in different national settings the manpower planning that led to the exploitation of fresh labor power in autos quickly backfired detonating struggles which bypassed capital's development plans and established an international cycle of struggle. Iberian, Arabic, African and Yugoslavian workers at Billancourt broke the impasse of union/skilled mechanics control established in the French auto industry after 1968. Mediterranean and Finnish migrant workers imposed the deadlock in Sweden's auto industry that capital sought to escape in its "workers self management" project. At Fiat Mirafiori and at Alfa Romeo in Milan the Hot Autumn (1969) found its material basis in the labor migration from the South. West Indian, Pakistani and Indian workers in British Fords have provided a basis for the renewal of struggle following the defeats (1971) in the English motor industry over grading standards, manning levels, and measured day work.

In North America manpower policies in the auto industry were not as clear cut, but the correlation between productive expansion and exploitation of new labor supplies was equally operative. For the tens of thousands of youth, Blacks, and women who throughout the 1960s flocked into the auto industry, getting a job in a car plant meant in many cases entering for the first time a stable wage relation. It was a forced route to put an end to their state of wagelessness and its price was extremely high, first for the workers and later for capital. This political dynamics – i.e., a wage relationship in exchange for intense exploitation – lies at the root of the attitudes of these workers toward work and of the content of their struggles. What capital had characterized as "undemanding and hard-working labor," would soon reveal its quality of insubordination and refusal, increasingly taking the form of a class strategy for more money and less work, for less productivity and more income. The wage ceased to be a relation of exchange and became a lever of power. At first imposed by capital as a necessary condition accumulation, the wage relation was overturned by workers into a material basis which allowed them to struggle against work and productivity. In the United States the combination of fresh labor power in the auto factories ("niggermentation") and the formation of concentrated labor reserves ("the Inner City") found its political expressions in the municipal insurrections on the one hand (Detroit 1967, etc.) and the organization of an autonomous struggle in the plants (DRUM, FRUM, etc. 1967-1969) on the other.

In a very real sense, the struggles of Black auto workers in Detroit have much in common with the struggles led by young immigrant workers in Turin or Cologne. Their subversion of the wage relation has been the overwhelming expression of their refusal to accept auto capital's despotic control, and has clearly revealed the international dimension of this cycle of class confrontation.

Throughout the late 1960s and the early 1970s the relations of power between capital and workers in both North America and in Europe pivot around this class dynamics – a dynamics which is not broken by the periodic contractual solutions which capital seeks to force upon it. It will be the crisis of 1974 which will provide capital with the means to impose a solution through the strategy of mass layoffs and terrorism.

### **Capital's Characterization of the Crisis**

"We stand on the brink of an historic crisis for American capitalism and the brink is crumbling." Thus announced the chairman of the board of Merrill, Lynch, Pierce, Fenner, and Smith to President Ford's Financial Summit Conference on Inflation of September 1974. George Bach told the same conference that "although special developments like the recent food and energy crises may temporarily dominate price movements, the fundamental cause of inflation in the US (and most other major industrial countries) is 'excess income claims.'" It is a fact that all capitalist planners recognize. The International Economic Report of the President (February 1974) made it clear that neither the basic material shortages nor the food crisis were primary causes of the crisis: it is one of "excess demand over supply."<sup>2</sup>

In classic terms we might say that the crisis is characterized by an unprecedented decline in the rate of exploitation, and this, like "under-consumption" and "over-production," is obvious in the auto sector as it is always an aspect of the appearance of crisis. Two aspects of the current crisis, however, are worth emphasizing. First, the worsening drop in social productivity is accompanied by the continual rise of income demands. Second, a corollary to the first, the traditional mechanisms of global and national planning are no longer adequate to assure accumulation as they were during the Keynesian recessions of 1957/58, 1960/61, and 1969/70.

The failure of traditional mechanisms (fiscal policy, monetary policy, and incomes policy) was reflected through 1974 by the disruptions of traditional relationships. Unemployment and output failed to maintain their expected ratio as real GNP dropped more sharply than employment. The question that troubled economists was not why employment held up

but why it didn't plummet. Neither average weekly hours worked nor the size of the social labor force explained the discrepancy. During the first two quarters of 1974 the unexpected mildness of unemployment was attributed directly to the decline in productivity. At the same time the six year plateau of average percentage wage increases (6 percent per annum) jumped to 9.6 percent in the second quarter of 1974.

"As a consequence of the highly structured and institutionalized nature of the labor market, wages respond with a relatively long lag to their economic determinants," said Michael Wachter in *The Brookings Papers on Economic Activity* 2 (1974). Workers power is revealed in "The nonlinear response of wages to unemployment." The workers' struggle ceased to appear merely as a factor of demand management, guaranteeing development. Raising its head among the councils of economic planners, its voice becomes inexplicable to them. One of Ford's advisors characterized the demand for income as a "divine right." The decline in American social productivity has attributed to what a former head of the Conference Board could only call "intangible forces."

The capitalist solution to this power was clear at least in principle: more work and less money. This was the advice of Gaylord Freeman (First National Bank of Chicago). In the face of inflation and stagnation planning must be designed to "1. stimulate productivity and 2. moderate consumption." Arthur Okun says the same: "you have to push the economy down far enough to create enough idle labor and enough idle capital to hold down prices and wages." Within this necessity the moment is fraught with opportunity and danger. "While few doubt," another economist told us, "that a sufficiently long period of high unemployment will eventually dampen inflation, many fear the social consequences."

A sixth of US jobs, a sixth of GNP, a sixth of every retail dollar is locked in the auto industry. A fifth of American steel, a third of zinc, a tenth of aluminum, two-thirds of rubber is tied to autos. The auto industry and its suppliers have integrated within a single circuit the social division of labor. Organized as a working class in the struggle against capital, it has thrown the "auto sector" into crisis. On the surface the crisis appears as a problem of the market. The demand market is disturbed by changing purchase patterns that dislocate long term growth. The supply market is upset as the balance of forces between Detroit and its suppliers (oil on one hand, parts suppliers on the other) shifts in favor of the latter. Federal environmental safety and pollution standards interrupt pricing and profit expectations. Or, the crisis appears as an historical irrationality of social planning that has produced an infrastructure of bad air, bad cities, and bad



country: a Paradise Lost.<sup>3</sup> In fact, it is a crisis of capital and this is but an expression of a strategic leap in workers' struggle.

## Two Responses to Working Class Power

### 1. The Imposition of Productivity by "Global Flows"

The most spectacular route that auto capital has found in its search for the re-establishment of the wage/productivity relation is at the international level. By the late 1960s this had become dazzling in its possibilities. Auto executives spoke of "the Latin American market," "the Pacific market," and with growing confidence of "the socialist market." Here they saw accumulation without the limitations imposed by the power of the American or European working class. Seeking to escape those limitations they sought to manipulate forms of struggle at an international level that could propel development at a national level. It is within this perspective, not that of the organizational novelty of the 'multinational corporation' nor that of its financial supersession of the nation-state, that the problem of "global reach" should be seen.<sup>4</sup> By 1972 the international deployment of capital is characterized by accommodation to the most varied of political settings and by the international integration of production outside of the traditional market.

Perhaps nowhere is this illustrated as well as in Latin America. Though its plants are under military protection and "instability" threatens the future, Ford is able to maintain a 37 percent rate of profit in Argentina. The Brazilian path to development has been spearheaded by autos. "The automotive industry [having] managed to overcome the political difficulties of the early 1960s," as the *Economist Intelligence Unit* reported, output has increased since 1966 at an average rate of 20 percent per annum. In 1971 GM earmarked \$1.1 billion for investment in operations for northeast Brazil. GM production increased by 24 percent in 1974 over 1973. VW, the leader of Brazilian auto production, had by 1974 transferred its engine and transmission operations, even for the German market, to Brazil. In September 1974 *Automotive News* reported the rumor that VW intended to transfer its entire German market production to Brazil. *Business Latin America*, the "Weekly Report to Managers of Latin American Operations," reported that the rate of return on investment (ROI) was higher in 1974 in Latin America than in any place in the world.

A low ROI is the form in which the crisis of Soviet growth appears to its planners. Thus last year Brezhnev rapped the knuckles of Soviet industrialists for the "ever lower rate of return on investment." Techno-

logical imports and detente is their response to the "factor productivity losses" of the late 1960s and early 1970s. Togliatti exchanged a Fiat built factory for a Russian built city. The Kama river truck plant, a \$4 billion facility with a \$1 billion city, follows the same pattern: *Russian planned variable capital and Western planned constant capital*. US foundry designs, furnaces, vats, gear-making machines; German forge presses and transmission machinery; French welding and paint lines; Italian conveyor systems; Japanese press lines: thus international capital organizes the under-employed agricultural workers of the Tartar plains. Already, in the inflation of imported components the Russians begin to import the Western crisis: the opportunity for each is that through detente and the crisis accumulation can be re-established.

The organization of fresh labor power (Tartar plainsmen, Brazilian Indians) can no longer be approached merely as the exploitation of the "Third World." The threefold division of the world is long obsolete. On the one hand Agnelli plans in response to the removal of \$60 billion from the industrial circuit of the West to the Middle East, and on the other hand, the *Economist* speaks of the "Latin Americanization" of Europe and "Banana Republicanitis" in America.

Spain illustrates the extraordinary rapidity with which capital can respond to the struggles within a particular political setting. In the early 1970s Spain was Ford's weapon against Britain: straighten out "industrial relations," Henry Ford told Edward Heath, or we move to Spain. And indeed construction began for a stamping and assembly plant in Valencia for operation in 1976. However, capital soon learned that raw Spanish labor power is one thing in North European factories and quite another in Spain. Mini-strikes, slow-downs, and sit-ins attacked accumulation throughout 1973 and 1974. Arson shut down production in Leyland's plant in Pamplona and at Renault's plant in Valladolid. By the summer of 1974 the *Economist* reported that the "outlook for labor relations is not sunny." At the end of the year *Automotive News* said that Ford and GM were "having second thoughts" about Spain. While in Britain it was rumored that the Shah of Iran wanted to buy Leylands (something the government had to do eventually), Leylands' negotiations to sell its Spanish subsidiaries to GM collapsed. Fiat, established longest in Spain, attempted in '74 to retool its Barcelona plants for higher productivity while simultaneously importing North African labor. This strategy, the basis of the north European boom of the 1960s, now has limited prospects.

A certain naivete of capitalist planning in the 1960s has passed. *Business Europe*, the "Weekly Report to Managers of European Opera-

tions," at the end of 1974 featured an article "How to Assess Developing Areas." It advised: 1) "make generous allowances for absenteeism" and 2) "be realistic about local productivity levels." Capital can no longer count on new labor power in "less developed countries": it can attempt at the international level to manipulate various national working classes. Within a couple of years it learns that Spain cannot be auto's window to North Africa and the Mideast.

Of Ford's and Fiat's European operations Turkey suffered the least in 1974. GM announced agreement in Iran in 1973 for the establishment of distribution and assembly plants in Teheran. Production began in 1974. GM production in Saudi Arabia is scheduled to commence in 1976. Assembly plants in Zaire have begun operating. The flexibility of auto's international planning cannot be anticipated from the appearance of particular regimes. In "industrial" South Africa for example there are "deep rooted problems in shortages of white skilled labor." Non-white workers at low wages "are far from being cheap labor when productivity (and mistakes) are taken into account." Increased income and productivity for non-white workers, this is "the cross roads at which the whole South African economy now stands," according to the Economist's Intelligence Unit.

One response in the crisis, then, has been this attempt to re-establish an adequate level of accumulation by the deployment of capital in space. The second is the reorganization of capital in time.

## **2. Job "Revolutions" and the Technological Imposition of Productivity**

"The rising costs due to the levels of absenteeism, labor turnover, wasteful work practices and sabotage," the heritage of the working class offensive of 1964-69 as described by the National Commission on Productivity, has resulted in a growth in output per manhour in manufacturing in the US that is lower (1971-1972) than that in Japan, France, Germany or Britain. The Nixon Commission on Productivity, the Nixon 1971 Labor Day address, the 1972 Kennedy subcommittee on "workers' alienation" make it clear that the "quality-of-work" discussion is the ideological representation of capital's desire to seek a larger room of maneuver for the intensification of labor.<sup>5</sup>

The attempt to re-impose the wage/productivity relation through job design and the intensification of the working day has taken two forms. One of these is represented by Lordstown under GMAD management and another is Sweden's Saab and Volvo modular production units. Each of

these forms not only represent solutions to the same international "bottleneck" but attempt via the increased "organic composition" of capital to establish discipline by intensifying work.

Amid some quarters of the "left" each of these two tactics of a single strategy takes on the appearance of the "capitalist problem" and the "socialist solution." Alienated labor on the assembly line finds its answer in workers' control of production.<sup>6</sup> While the technological imposition of productivity only intensified the struggle in North America (as we shall see) its Swedish variation was an unprecedented, expensive, response to an unprecedented problem, and as such it is unlikely to be generalized. Nevertheless, it is important that it be clarified if only to remove any lingering mystifications that it is still able to produce.

Pehr Gyllenhamar, Volvo's director, summed up the crisis of the Swedish auto industry during the late 1960s as "nothing less than the probability that most people would refuse to work at all." One third of Volvo's payroll had to be recruited annually. By 1969 turnover reached 52 percent. One seventh of the workforce was carried as a reserve against unannounced absenteeism. Manpower policy alone was insufficient to the crisis. 80 percent of Saab's workers at its engine plant were women. 60 percent of the workers in the industry as a whole were Finnish or Yugoslav. Yet "absenteeism with pay," as Gyllenhamar bitterly remarked, was the working class answer. The companies were forced to a deeper strategic answer.

The de-fractionalization of work whose ideological garb – job enrichment, job rotation, modular production – has provided the dress not only of countless personnel schools but of sections of the "left," was gradually imposed in salient sites of production. Workers' power based on the long assembly line (mechanical cooperation) was removed by the installation of shorter lines guaranteeing that the flow of production could be maintained despite breakdowns or interruptions. Group piece work at the Lunbyverken truck assembly plant with some group flexibility in the determination of production standards has been established. Variations in the average speed of groups of workers ("balancing losses") and variations in the average speed of the individual worker ("system losses") are reduced by the shorter lines, separated by buffer stock areas, and group payments methods. Workers' informal organization became the basis of the capitalist re-organization of work to reproduce the value relation within the labor process. The counter planning on the shopfloor of the 1960s becomes capitalist planning of exploitation in the 1970s.

The great expense of this strategy was long a drawback to its

implementation. At Volvo's Kalmar assembly plant, the largest and most daring commitment of capital, plant construction under the modular production design is estimated to cost 10 percent more than conventional design. 90 percent of all tasks will be automated.

The second variation of the technological imposition of productivity is in part the history of working class struggles in North America during the last three or four years.

### **The Power Relation As Refracted in the '73 "Auto Talks"**

Despotism in the market and anarchy in the plant, the inversion of the traditional capitalist relationship, summarizes the industry's problem during the early 1970s and expresses in part an aspect of victories obtained by the class during the 1960s. George Morris, director of GM's Labor Relations Department, attempted to bring despotism back to the factory. Arguing in 1971 against an incomes policy on the grounds that it would eliminate "management's responsibility to manage," he restated the relation between income and work in the context of industrial bargaining. "The more control there is from the outside on wages and economic matters," he wrote, "the more pressure there is from the union on all the other issues."<sup>7</sup>

In 1970 faced with 2500 non-wage demands by the international union and 39,000 demands by locals, a victorious settlement on overtime, productivity, and the maintenance of "efficiency and discipline" presupposed freedom in wage bargaining. The contract of that year contained a provision of the first importance to GM. "We insisted that an organized effort be made to improve employee job attitudes and reduce absenteeism, which in our industry has doubled in the past nine years." An "orientation" program, jointly administered by the union and management, was introduced to encourage attendance and quality workmanship. Here is a first step in the introduction of the Union within the strategy against the workers' refusal to work.

No longer merely the institutional organ of variable capital the company is forced to invite the union to join it in the direct management of the enterprise. This becomes the cornerstone of GM's position in the 1973 negotiations. Its statement to the Union (26 July, 1973), even before the summer and fall wildcats, is extremely important:

The mutuality of interest between the employee, the UAW and General Motors is more apparent as we enter these 1973 negotiations than at any time since the beginning of our collective bargaining relationship in 1937.

The rest of the statement spells out that "mutuality" and provides the specific terrain upon which the struggle had been fought in the previous years. It is expressed in a terminology that need not be "spelled out" but only inverted in order to see the class accomplishments in the collective refusal.

First, it complains of "restrictive practices" against changes in equipment and technology, practices organized at the local level. Between 1963 and 1972 the number of written grievances doubled from 138,000 to 264,000. These must be settled without "disruptions" of the "production process." The workers' use of "other forums" for settling grievances must end and union control established. Committeemen must take an active role with supervisory personnel in grievance settlement at the moment the complaint is made. Second and Third step grievance meetings must be held more regularly.

Second, two issues of union representation must be settled. Union work centers (provided since the 1967 contract) have been used "by unauthorized persons for improper purposes." The liberalization of representation, high wages to committeemen, increases in representation time, and an increase of representatives, all allowed since 1970, have failed to reduce grievances or to expedite their settlement.

Third, disputes about production standards, the collapse of efficiency of operations and the disintegration of quality threaten to destroy both union control and company power. In "certain plants" disruptions have caused "deterioration of collective bargaining" and "virtual breakdown of the grievance procedure."

Fourth, neither the company nor the union benefit from the turnover rate. Only their cooperation can discipline the "transients who float from job to job." A longer probationary period and a greater differential between the "hiring rate" and the "job rate" can attack this problem.

Fifth, the workers' use of the social wage has become a method of generalizing the refusal to work and an attack on wage-planned discipline. "Increased utilization" of HSMD (Hospital-Surgical-Medical-Drug) benefits is a "serious and growing problem." Costs between 1970 and 1972 have increased by 29 percent. The duplication between company benefits and state compensation has resulted in the provision of an income without work and an income during retirement that is greater than the income of working years. 52 percent of contested claims in Michigan involve retirees. Seventy five percent of voluntary retirees in Michigan also filed for workmen's compensation. The increase of allegations of accidents and injury, as well as the payment of benefits to "employees who are well

enough to work," has spread the workers' enforced separation between income and production to the older, traditional sections of the class.

The invitation to the union to join with the company in the reestablishment of their joint control, "the mutuality of interest," came after the company's unilateral failure to establish 'the despotism of the workshop' or management's responsibility to manage.

The GM Absenteeism/Turnover Task Force (1969-1972) was a failure. Absenteeism cost the company \$50 million in fringe benefits alone. Turnover, at a conservative estimate, cost the company \$29 million. "Social attitudes," tax exemptions, the increase of accident benefits, the increasing number of women employed, "job hopping," different values, "refusal of hard work," medical restrictions, the straightjacketing of the foreman's flexibility in "manpower assignments," these produced the crisis. The response was twofold and a twofold failure.

In pilot programs the company tries to manipulate workers' collectivity and then to individualize workers. Sensitivity groups and rap sessions, organized as PRIDE ("Personal Responsibility in Defect Elimination"), were successful among Oldsmobile workers only insofar as workers participating in the program could get paid for rapping and "sensitizing" but not working. "The importance of treating the new hire as an individual" resulted in SPEC ("Supervisors Personal Employee contact"). The "Buddy System" was successful in reducing absenteeism and turnover among probationary hires but at the prohibitive cost of assigning one supervisor to every new worker

"To end managing by fear," this is *The Wall Street Journal's* formulation of the policy of Gene Cafiero, a Chrysler executive. In the fall of 1972 at Dodge Main in Hamtramck he introduced in the trim department "planned absenteeism," a pilot group of 350 workers were allowed to take a day off without penalty if it was cleared in advance with the foreman. At the Eldon Avenue axle plant 2,700 workers were regrouped into three independent units in order to "create the environment" of three small plants. Chrysler's 1969 turnover rate was 47 percent, its absenteeism 8 percent. If new environments or planned absenteeism renewed Chrysler's control Cafiero failed to tell *The Wall Street Journal*. It was within the context of these failures that the congruence between the Union's demand "to have a greater say in production" and the Company's responsibility to manage" was discovered. The '73 wildcats was the workers' answer, an answer that almost put Chrysler under, that more seriously than ever before undermined the union's position, and that resulted in the workers' capture of a principle salient of auto production in Detroit.

## **The '73 Wildcats**

### **1. Background**

The July seizure of the Jefferson Avenue electrical control booth, the August Chrysler forge stoppages, and the August sit-in at the Mack Avenue stamping plant were preceded by an incremental series of working class assaults against the union and the company well before the contract negotiations began. Thus in April Toledo Jeep was struck over "local issues." Four thousand workers wildcatted at GM's Lakewood, Georgia, assembly plant over "production standards" during the late spring. In early June the Ford plant at Mahwah was faced with mounting militance and the first of the "heat" walkouts. Overtime protests mounted at GM's Fremont plant, and at Lordstown wildcatting and mass picketing threatened the Union's precarious position. In March Jefferson Avenue was closed for three days in strikes over disciplinary layoffs.<sup>8</sup>

Of course many of the stoppages that occurred in August and September were anticipated by the Company. A.F. Link of Chrysler's Profit and Investment, Analysis Department, wrote, "industry, through production standard techniques, generally plans for reduced efficiency in certain operations such as foundries during summer months." However, the '73 walkouts were complicated by other elements beyond anticipated production planning: with mounting orders and a record year of sales any interruption of the circuit of productive capital struck immediately at sales and turnover. The one-day Pennsylvania Central strike, the Canadian railworkers strike, and the plastic and petroleum derived pans shortages were as serious as the stoppages, at least from the point of view of the circuit of productive capital.

However, the political threat to power relations within that circuit extended beyond the loss (in Chrysler's case) of 135,000 cars and trucks. For the first time the class struggle in autos was militarized outside the plants with the Union providing the advance guard of capital.

### **2. The Jefferson Avenue Assault**

On 24 July 1973 Ike Shorter and Larry Carter, two spot welders, locked themselves in the wire cage housing of the main power switch that controlled the welding assembly line. 5000 workers were idled. They demanded amnesty for themselves and the immediate discharge of Tom Woolsey, a racist supervisor. Shorter and Carter could not be forcibly removed as workers from the department mobilized in a surrounding cordon.



Some months earlier Woolsey was assigned to the spot welding section to tighten discipline and speed up production. The feeder line in the section was running at an average of 100 jobs per day behind the scheduled rate. Woolsey was well-known as a militant cadre in the productivity drive that started in 1972. At that time plant-wide line speed increased from 56.5 jobs per hour to 65.5 while manpower increased from 5400 to 5900. In the arithmetic of productivity this meant a speed-up of 7 percent (production up 16 percent, manpower up nine percent) which was translated into a loss of four seconds per worker per job. Everyone was put in the hole.

Individual rebels against this got the I-T-D treatment: interview, threat, and discipline. Post-Christmas disciplinary firings were answered by walkout in the motor line department. The Local and the International ended the four day strike with Woolsey's help as fingerman. Weeks later the second shift in the metal shop sat down and refused to work. Woolsey was sent to the metal shop. In the summer when he was sent to the welding line, Carter and Shorter replied.

Within hours Chrysler capitulated to the demands. Carter and Shorter were re-instated. Woolsey was fired.

The industry and the union were shocked. Ford reprimanded its sister company: "We believe very strongly there is no virtue in rewarding a resort to self-help." Fraser told Chrysler: "if you surrender to this type of blackmail there is no end to it." Within days the Union announced (what had been suspected for months) that it had chosen Chrysler for its '73 target company. In the months ahead the union will scramble madly to regain control over the auto workers, for what was unprecedented by the Shorter/Carter incident was the Company's decision to deal without Union mediation of the struggle: management's responsibility to manage supersedes the union's management of the struggle.

### **3. The Lynch Road Forge Plant Walkout**

On 7 August 1973 the midnight shift refused to work starting a six day walkout. Record profits and record production in 1973 meant continuous operation at three shifts a day, seven days a week for six months at the Forge Plant. Accidents increased. Repair and maintenance work was kept to a minimum. Wiring remained uninsulated. Oil slicks developed into puddles throughout the plant floor. Overhead cranes broke down spilling steel loads onto walkways. The local union contained the grievance problem by refusing to write them up.

At Lynch Road 1500 workers were out threatening the layoff of 40,000

other Chrysler workers. In the second week of August only the combined efforts of a Federal Court Injunction, the mobilization of the Local union, and the direct intervention of Doug Fraser brought the forge workers back to work.

#### **4. The Mack Avenue Sit-In.**

On 14 August Bill Gilbreth sat down on the line of the welding department at the Mack Avenue stamping plant. The entire department was mobilized by the action against the plant guards and then against the police. Chrysler decided to shut down the entire plant, even though 90 percent of the plant could have remained open (heterogeneous cooperation). The shut down was a political response designed to isolate the department and to prevent the circulation of the struggle.

At the Mack Avenue, as at Lynch Road and Jefferson Avenue, the struggle must be placed within the history of struggles since the 1972 productivity offensive. Since that time plant conditions deteriorated in direct relation to productivity drives. The press room was forced on a seven day schedule. Others were on a six day week with long hours. The presses leaked oil. The roof leaked. Hi-lows drove with faulty brakes. Scrap accumulated in the aisles. The high-pressure air-lines screeched through the plant as leaks were left unrepaired. In late '72 when a die setter was killed by a bolster plate blowing loose cutting off his head, the flash point was provided that set up an unofficial safety committee. On 7 June 1973 a walkout of the second shift in the press room protested the conditions that removed two fingers from a woman working a bad press. On 10 August, four days before the sit-in, workers organized pickets around the Local Union Hall.

The occupation of the framing department, the result of Chrysler's decision to close the plant, was easily cleared by a neat and efficient police operation. But the Union, its credibility already seriously weakened, needed a show of strength and above all to re-establish its position over the struggle.

#### **5. The Union's Terrorization of the Struggle.**

To prevent mass picketing, the intensification of the struggle, and its extension through the industry, Fraser and Mazey personally lead a thousand "loyal unionists" (characterized by militants and the press as "goons," "gestapo," and "Klanners") in squads of flying pickets throughout Detroit. Pickets and militants were terrorized at plant gates throughout the twenty-two Chrysler Detroit plants. Here is the militance of the Thirties

brought to life in the 1970s. Strategy and tactics are identical, only the object of struggle has changed.

Despite this historical show of force the movement rapidly spread. One quarter of GM plants were closed in August and September. Three of fifteen Ford assembly plants closed in August. Walkouts shut down three American Motors plants. Warren truck, Dodge Main, and Windsor car, truck, and engine all closed. To be sure it coincided with changeover, but during this boom year the struggle was no longer contained within "production standard technique planning."

Militants during the summer sought and found a practice that transcended the limitations of the 'union opposition caucus.' As Shorter said, "sometimes we'll use the union, sometimes we won't." But even the traditional Union opposition, or at least its social base within the skilled trades, found new strength in the general summer mobilization. The "skilled trades problem" brought to the surface the second overt form of militarized struggle. When Local 160 (the technical center local) and the skilled trades of the River Rouge complex failed to ratify the '73 contract the Union had no choice but to renege on the 1967 agreement giving them veto rights and to bring out pistols to enforce a new vote. They were excluded from the early retirement benefits negotiated in the contract. Their position was further eroded by the 'secret letters of understanding' between the union and the companies that permitted sub-contracting and unlimited 'up-grading,' in cases where skilled tradesmen refused overtime. Indeed the much touted limitations on overtime were in fact attacks upon workers' collectivity, "voluntary overtime" being permitted only "separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or the Union."

The skilled trades massively rejected the contract. This was the first time in the history of the UAW that this had happened, a contract rejected at ratification. The Union of course sought to impose its will in a re-vote. When an official of Local 600 drew a pistol against a Dearborn millwright, Canadian TV recorded for the world this new union violence against the working class.

Violence itself was not new. With 65 deaths a day in the American auto plants, violence during the 1960s was mainly a question of the violence of technology. But the growing armament of both the working class and the union *within* the plant is new. Pistols were brandished at the meeting between the International and the local leadership at River Rouge. The president of a Michigan Casting Center Local shot a militant during a re-vote. The International established control over the St. Louis local after a

show of arms. Walter Reuther's picture was torn from the wall at a local Michigan union hall. The locks were smashed at Solidarity House in an attempt to gain entrance. The submerged guerrilla warfare present in the plants broke out in the open during the summer of '73. A tool and die maker told *The New York Times*: "Before they tied us up with rope. Now they tie us up with chains. It's a dictatorship. Forty years ago you could lead people a round by the nose. You can't do it anymore." He was referring to the Union.

Ever since the secession threats by the Skilled Tradesmen during the 1955 settlement, the Union had continually attempted to appease their demands. Union thinking was especially concerned with this because it had become clear that the basis of Union growth in the future would have to depend on its ability to organize not just the traditional skilled metal workers but the growing ranks of engineers, technicians, and office workers. Indeed, the union in '73/'74 won several small machine and plant design workers in enterprises. The President of one of these, Solar Engineering, an independent Michigan company of auto product and machine design, welcomed the unionization of designers and draftmen. The higher costs would result in increased competitiveness and the improvement of design quality. The presence of the Union, he told *Automotive News*, will improve "flow" among shop services and stabilize the high turnover of manpower.

The outburst of autonomous struggle, the collapse of union authority in mediation, its attempt to regain control by terror, and the transformation of traditional opposition centers these were the events that immediately preceded the "crisis" of 1974, its speed-ups and lay-offs at the plant, its inflation and uncertainty at the social level.

### **The Crisis and the Momentum Struggle in '74**

#### **1. A Chronology of Strikes**

The failure of both inflation and unemployment to reduce work stoppages during the first ten months of 1974 is made clear by comparing them to similar figures over 1973. The number of stoppages increased by eight percent. The number of workers involved increased by 48 percent. The number of man days idle increased by 88 percent. Indeed the number of workers involved in stoppages in 1974 had in its first ten months already begun to approach the annual number for the years, 1967-1971, the highest cycle of stoppages, excepting 1946, in postwar history.

An external chronology of strikes during 1974, though necessarily

incomplete, is an adequate representation of the fact that the economists' "lags" and "nonlinear responses" are only capital's tags indicating that workers' power has burst through the stop-go syndrome and Keynesian management. A partial list follows:

March	New Haven, Mich.	wildcat at foundry against local contract, racism, and speed-up
25 March	Warner Gear	strike slowing national truck production, closing Toledo Jeep and damaging International Harvester
5 April	St. Louis	"sick out" at GMAD Corvette against speed-up
April	Cleveland	Black and Puerto Rican workers respond to lay-offs by laying off machines at turret lathe plant
April	Kansas City	GM Leeds plant, Chevrolet, local strike over local grievances
13 May	Detroit	Fisher Body Fleetwood struck closing Cadillac and Oldsmobile as production schedules increase
May	Kansas City	ditto
June	Chicago	Stamping plant struck over 1000 discipline and safety grievances about speed-up, layoffs.
June	Kalamazoo	Checker Motors struck
11 June	Warren, Michigan	wildcat at Dodge truck
28 June	St. Louis	GM Corvette struck
12 July	Lordstown	6 week strike begins over 11,000 grievances
August	Budd Kitchenor	1,600 wildcat for 3 days at body and wheel component plant
August	Cleveland	Junking, shipping and sabotage greet speed-up at stamping plant
1 August	Wanwatosa, Wisc.	Briggs & Stratton, auto machine tool plant, struck over local contract
6 Sept.	St. Louis	end of 9 week GMAD strike
16 Sept.	Kenosha, Wisc.	17,000 American Motors workers strike through month
Sept.	Milwaukee	A.O. Smith, auto and truck frames, struck, closing Jefferson

23 Sept.	Franklin, Ind.	Ave. Arvin Industries struck, makers of tailpipes, mufflers, catalytic converters interrupts production at 3 Chrysler assembly plants and 3 Ford plants
26 Sept.	Anderson, Ind.	4 day strike at GM Delco, producers of starters, ignitions, and generators
28 Sept.	Gary, Ind.	slowdown and sitdown at Ford Galaxy
29 Sept.	Oakland, Fremont	woman workers sue GM for discriminatory lay-offs.
30 Sept.	Oakland	wildcats protesting overtime
4 Oct.	Long Island City	wildcat against Standard Motors
Oct.	Framingham, Mass.	GM Buick and Oldsmobile assembly struck

Clearly, the empiricism of the struggle based on the Union's *Solidarity* and on the industry's *Automotive News* barely scratches the surface of the breadth of struggles through the North American plants.<sup>9</sup> Reports of militants in Windsor, Oakville, Cleveland, St. Louis, make it clear that much of workers' subversion of productivity occurred on a departmental basis whose appearance in broken production quotas at the plant level the industries conceal from public accounting. Globally, the struggle appears simply as "crisis," and as such is interpreted as a problem of markets or "demand." A brief discussion of some individual strikes makes it clear that the workers' infiltration against productivity belongs to a struggle to which the crisis is an answer. It continues to remain unresponsive to both Union management and government planning.

### Some Particular Strikes

At Dodge Truck in Warren, Michigan, 6000 wildcatted for four days, 10-14 June 1974. Demands were not formulated until the third day of the strike. They asked for "everything." One worker said, "I just don't want to *work*." The separation between income and productivity, enforced by the struggle, could not have been clearer.

The wildcat was preceded by a sick-out on the 31 May when the second shift metal shop phoned in sick. This, and the strike, must be set against

the background of the productivity drive begun in 1972 and the changed character of the workforce at Warren. Its second shift became younger, more 19-22 year olds, more Viet Vets with a history of fragging their officers behind them, more women and more Blacks. During the '73 negotiations this working class rejected the contract, but Local 140 threatened to call a Christmas strike and that put the lid on the contract centered strike. Against the passivity of the Local, the workers replied with absenteeism, sabotage, running junk and violence against the foremen. Local 140 had undergone a change in leadership the previous year, the white bureaucrat, Mahaliek, was replaced by "Black, fast-talking Willie Stoval." Yet it is Willie Stoval who in June 1974 lines up with the police to finger the "leaders" of the wildcat strike. Willie Stoval calls the police to organize the ejection of the workers from their Union Hall.

On 17 October 1974 at GM Corvette in St. Louis the workers on final trim sat down and refused to work because their pay check did not include "show-up" time for the previous Wednesday when the Company called them to work and then dismissed them. In twenty minutes the management capitulated and the checks were adjusted to meet the workers' demand. Nate Mosely a militant at the plant was fired. The workers responded with what the company termed "bad morale" or the shipping of work, and running junk, which lost the company \$1.2 million over the year. The plant's reject area overflowed and Mosley's firing was changed to a temporary disciplinary lay-off.

The extraordinary swiftness of both these victories has to be seen against the accumulated failures of the Union-led struggle at the plant.

As a result of the 1970 contract GM consolidated its Chevy assembly and Fisher Body divisions creating the General Motors Assembly Division (GMAD). The separate divisions allowed far more relative independence to local strikes and organization. It was these local strikes that had been the single greatest obstacle to productivity in GM. Throughout GMAD the results of the new organization quickly materialized. At Norwood, Lordstown, and St. Louis grievances accumulate, the local leadership is put in crisis, and speed-ups and lay-offs occur with little resistance. At St. Louis the same production is maintained after laying off 1000 of the 9200 workforce. The crisis at the locals takes the form either of direct intervention by the International threatening to place the local under trusteeship or in long strikes (as at Lordstown or Norwood) without international backing.

In 1972 when the Union announced its "Apache strategy" it called for a decentralized struggle, staggering the attack on GMAD with mini-

strikes, at a time when militants in the locals called for a unified massive strike against the division. Where GM wins centralization, on its side the Union calls for decentralized struggle.

12,300 grievances piled up at St. Louis by 1972. By the end of 1973, 1500 fewer workers than in 1971 produced the same number of cars. GMAD's productivity drive was accompanied by a political personnel policy that sought to divide the night and day shifts by race, by the selective favoring of overtime, short-time, and speed-ups. In April 1974 GMAD attempted a line speed of 25 percent greater than the day before. A couple of days later the second shift called in sick. In June with 18,000 unresolved grievances the local membership called for a strike. The International crushed the strike, though it went on for weeks. A long strike as those at Norwood and Lordstown a couple of years before would, the Union expected, discipline the local. When the Zone Committeemen, Willie Morganfield, and Irving Bluestone are sent to St. Louis at the end of August they settle the strike without getting anything. Morganfield draws a pistol against Nate Mosely the local leader. The International leaders don't dare use the union hall but instead settle the strike at a downtown motel. The independence of the local, however, was not crushed: the October 17 sit-down dispelled any illusion that the International had regained its authority over the class.

Neither the Warren strike nor the St. Louis strike were atypical: similar accounts might be found in the 1974 history of struggle at Windsor Chrysler, Ford Oakville, Chevy Gear & Axle, and doubtless throughout the industry. The "auto crisis" of overtime/lay-off is international.

### **Income/Layoff Policy Within the International Perspective**

A key aspect of the auto crisis is the political initiative that capital has taken to modify the wage relationship through the policy of massive layoffs.

In North America, thanks to the existence of the SUB mechanism, the three current waves of layoffs have not involved thus far any major change in the automakers' wage policies. What is significant in fact is the extent to which the SUB mechanism which was originally designed to cope with minor restructurations related to model changes has so far lent itself to a major process of restructuration in the crisis. In countries where similar mechanisms were lacking, automakers have resorted to policies involving substantial changes in the wage relation. In France, Italy, and Germany the outline of this strategy has become clear: ensure a certain degree of stability of income for the workers as a cover to restructuring



policies aimed at obtaining the highest mobility of labor.

What characterizes these layoff policies is their short term aspect. In Italy, Fiat and Alfa Romeo have reached lay-off agreements with the trade unions covering most of the 1975 period. In Germany, VW guarantees the equivalent of one year's pay to workers who agree to be laid off indefinitely. In France the October 1974 agreement between the Industrialist's Association, the Trade Unions, and the Government entitles workers who are laid off on account of industrial reconversion to get up to one year of pay.

What further characterizes these layoffs is the combination of wage and manpower policies that they embody. Thus:

Manpower side:

— Reduction of employment levels.

- Fiat, by stopping new hiring, has reduced throughout 1974, its workforce by 20,000
- In Germany where the annual rate of turnover in the auto sector is quite high due to the transient character of many auto workers, the separation allowance policy will allow the auto companies to control this process by programming the mass resignation of a substantial section of their work-force.
- At Fiat, the recent agreement on layoff pay entitles the company to transfer workers not just from one plant to another, but also from one sector to another, from one geographical area to another. Given the material hardship that transferred workers encounter, this policy amounts in effect to a "forced resignation."
- Recent estimates show that in 1974 European car manufacturers reduced their work-force by nine percent, and predict that the reduction for 1975 will be around 13 percent.

Wage Side:

- The resort to a 'temporary guaranteed income' has the effect of softening the impact of capital's attack on the terrain of wages.
- The policy involves a deeper integration of the State and capital.
- In France, although the funds for the layoff pay come almost totally from the companies, the intervention of the state has made the policy possible by paying a contribution of 1.71 billion francs—an amount that will cover the first year of operation.
- This integration is more clearly visible in Italy where not only layoff pay funds come from the state (2/3's of it), but also the union have a direct

role in the management of this policy (they co-determine how many days of layoff the company must resort to, on the basis of inventory levels, and are responsible for providing the "extraordinary labor force" which the company deems necessary to work during layoff days.)

Layoff/pay policies are therefore the tools capital is using to discipline autoworkers' struggles. It allows capital to maintain the wage relationship within politically tolerable limits, and at the same time push through a major process of restructuration, whose short-term goals are:

- a) reduction of the domestic production base,
- b) the forcing of a major increase in the mobility of labor—inside the plants, within the industry, and in the labor market generally,
- c) increase of labor productivity, through the terror of "losing the job,"
- d) undermine the practice of "paid absenteeism."

In North America the indications are already apparent that these goals are being effected only with difficulty. The SUB cushion is in tatters. In Michigan the State Police guard unemployment offices. The union-organized marches for "More Jobs" is met by workers' cynicism (UAW) or disruptions (AFL-CIO). What can we say in conclusion?

### End of the Line

The continuing momentum of workers' struggles through '73/'74 have shown the weakness of the speed-up and layoff policy in reestablishing accumulation at an acceptable level.

In North America, perhaps the most significant development of this period is the weakening position of the Union in its mediation of the struggle. There are external 'political' signs of this in the growth of opposition caucuses within the International, the emergence of "rank-and-file" organizations on the plant level, and the proliferation of the "Left" within the plants (calling, as often as not, for the rationalization of the crisis—save jobs, spread the GNP, form "unemployment committees"). More symptomatic is the reaction of the industry which is now willing to circumvent the Union's mediation of the struggle since it has become obvious that the Union can no longer rely on even its "historical" authority. Most serious is the arming of the struggle, within the plants and by the Union.

In North American plants wage and manpower planning attempts to re-establish the income/productivity relation. Militants—Blacks, women, hippies—are laid off or removed from the line, and probies, some fifteen years old, are sent on the line. With no rights to call committeemen, working at 85¢ an hour less pay, ready for job rotation—this is a last effort

to regain control of workers' power in production. It is doubtful whether the manipulation of the sociology of the work force can overcome the crisis: it backfired in 1970-71. In June 1975 *The Detroit Free Press* reported that "both the company and UAW officials are surprised by the paradox of relatively high absenteeism at a time when most workers, nervous about the future seemingly would be working every hour they could."

*The Economist* is fond of asking "When will Detroit start closing Britain Down?" and *Business Week* asks "Has Detroit Learned Its Lesson?" The question is no longer the Blue Collar Blues or experimentation in the technical organization of work. Doubt and uncertainty characterize all aspects of capital's relation to the working class as it struggles to regain its command. Everything from the wage (amount of reserves in the SUB fund, the size of the Automatic Short Week payments, medical benefits, Food Stamps) to lay-offs (temporary, permanent? Et what department? what division?) even the site of struggle in the auto industry itself is in doubt. This may be the panic that the enemy seeks to provoke prior to combat or it may be an actual reflection of the disarray in the strategic headquarters of capitalist planning. Despite the atmosphere of uncertainty, some elements are clear.

Capital must integrate its institutional components—the firm, the union, and the state—in order to determine both the terms of struggle and the site of struggle. The income/layoff policy is designed to reestablish the job as the terrain of contention hoping that the demand for work can be separated from the demand for money. After one year it appears clear that this strategy cannot be accomplished by traditional means. This is why the problem of social command must be presented as the problem of "law and order" and "crime in the streets," and not only as a problem of jobs and unemployment.

Preparing for the next war on the basis of the lessons from its previous defeat, capital poses the question of the removal of a site of struggle. When will Jefferson Avenue close down? In January, in June, or next year? When will Chrysler go under? When Detroit? Union planning of the struggle seeks to rationalize transportation, that is, it plans for mass transit and small clean cars.<sup>10</sup> The latter, on the vanguard of the productivity attack in the last four years, precisely means the intensification of work throughout the North American industry. "Mass transit," whether or not it is developed by existing corporations, will mean the reorganization not only of exploitation in the plant but the removal of the city as a terrain of struggle: there can be no repetition of the insurrections of the 1960s. "Mass transit" of course still sits in the attaché case of the urban planners,

and other tools must be brought to play. In Hamtramck urban renewal means the relocation of the Black working class vanguard. To effect this more than three-quarters of Federal funds "shared" with the city last year are remitted to the police corps.

While it would be foolish to attempt to describe a timetable for the removal of the working class from the powerful salient it conquered in the 1960s, the assembly line of big autos and its neighboring Inner City, it is clear that not only is something like this envisaged in long-range terms but that the first steps have already been taken to put it into effect. Flexibility of plant location, freedom of plant restructuration, massive labor relocations, the erosion of the city as workers' terrain, a "union say" in "management's responsibility to manage," here already is capital's attempt to both maintain its power and recapture its hold on a working class that has extended its room of maneuver within and against it.

Industry's plans must be seen internationally. Of course horizontal and vertical integration are intensified throughout the world and concentration and centralization of firms accelerate within national frameworks. State planning of social capital, "socialism in the auto industry," is afoot throughout Europe, clear for a number of years in France and Germany, now also in Italy, in Britain where the Labour government must underwrite Leylands, and even in Sweden whose government controls an increasing number of Saab and Volvo shares. Each process doubtless is considered by the American industry for home. In board rooms throughout the world attention is on Chrysler, and not because it is once again sending panic through auto's financiers or that it may be ripe for plucking. As the weakest, Chrysler loses least in the experimentation that is necessary for the industry as a whole if it is to recapture its position. At Chrysler foreign and domestic operations are united under the authority of a single vice president, that for "planning and development." The international division of component manufacture for American assembly, an international factory, has been forced on Chrysler. *The New York Times* writes, "When future products are considered, therefore, the resources and products of Chrysler's worldwide operations will be analyzed to come up with the most economic package." Ford Europe has practiced a policy of double sourcing for several years now, allowing it to circumvent bottlenecks created by faulty "industrial relations" at one component source by having recourse to another. In the Pacific Ford wishes to generalize this strategy in its policy of "regional complementation."

Chrysler's flexibility in the manipulation of international struggles is greatest exactly because it has least to lose. Its recent initiative (June 1975)

in Britain is a case in point. It was not the Ryder Report on British Leylands with its coy glance over one shoulder at the workers' control people and its face of determination over the other at "inefficient management practices" that pioneered the Labour government's hesitant steps to "industrial democracy" and the integration of the shop stewards' into management planning: it was Chrysler, "the American multinational giant," that offered profit sharing, joint steward-management control, industrial democracy, and the rest.

To conclude with Chrysler's offer in Britain is justified only because it illustrates again how the capitalist project can be ten times more daring than the 'utopian' planning of the Left. In Britain however the Chrysler workers told management to stick their offer and demanded more money instead. Money, no longer the "defensive economic" demand of social democratic ancient history, is power. It was the demand that catapulted the international cycle of struggle ten years or so ago. Chrysler's offer of profit-and-management sharing is a desperate attempt to maintain the illusory separation between power or politics and cash or economics. The disappearance of this separation allows the question of revolutionary organization to be posed once again.

### Notes

<sup>1</sup> We have found the following books useful. William Serrin, *The Company and the Union* (1973), Emma Rothschild, *Paradise Lost: The Decline of the Auto-Industrial Age* (1974), Dan Georgakas and Marvin Surkin, *Detroit: I Do Mind Dying* (1975), Huw Beynon, *Working for Ford* (1973), and John Mathews, *Ford Strike: The Workers' Story*.

<sup>2</sup> In addition to the works cited in the text, this section relies on material supplied in *Business Week* (5 October 1974); *National Commission on Productivity: 2nd Annual Report* (1973); *The Michigan State Economic Record* (November-December 1974); Edward Gramlich, "The Distributional Effects of Higher Unemployment," *American Economic Review* (September 1973); and Arthur Okun, "Unemployment and Output in 1974," *Brookings Papers on Economic Activity* (1974).

<sup>3</sup> This for example is the point of view of Emma Rothschild in *Paradise Lost: The Decline of the Auto-Industrial Age* (1974).

<sup>4</sup> We refer to Richard Barnett and Ronald Muller, *Global Reach: The Power of Multinational Corporations* (1975). This section relies on information contained in the annual reports of General Motors, Ford, and Chrysler. Here as elsewhere the industry's *Automotive Age* is more informative than the *Union's Solidarity*. *Fortune* (November 1974) contains important articles on capitalist accumulation in the Soviet Union. *Motor Business*, a publication of the Economist Intelligence Unit, maintains an international perspective.

<sup>5</sup> Harry Baker, "Job Enrichment and Job Satisfaction," *Personnel Practise Bulletin* (June 1974), N.V. Philips's Psychological Department, "The Influence of Assembly Line Organization on Output, Quality and Morale," *Occupational Psychology* (1964); and

"Job Redesign on the Assembly Line: Farewell to Blue-Collar Blues?" *Organizational Dynamics* (fall 1973) have been useful from the point of view of describing capitalist planning.

<sup>6</sup> S. Aronowitz, *False Promises: The Shaping of American Working Class Consciousness* (1973) is the clearest elaboration of this viewpoint. "Young auto workers have neither challenged the object of their labor (the production of cars), nor have they transcended the inevitability of submitting to the old methods of production" (p.409). In fact, the latter has become a minor part of the *capitalist* project during the crisis precisely because of the previous *success* of the auto workers' assault on productivity.

<sup>7</sup> George Morris, "Controls or Collective Bargaining—Restraints and Realities," The Conference Board 1971. See also General Motors Statement to the UAW, 26 July 1973; the "GM Personnel Development Bulletin," 3 February 1972; and GM Oldsmobile Division, "Absenteeism and Turnover: Control Program Report" (November 1971).

<sup>8</sup> In addition to *The New York Times*, *The Wall Street Journal* and *The Detroit Free Press* which, relative to their usual practise, gave the wildcats a broad coverage, the newspapers of militants were fundamental for news of that summer: *Challenge*, *The Call* and *Worker's Vanguard*. Jack Weinberg, *Detroit Auto Uprising* 1973 is also important.

<sup>9</sup> In addition, *The Newsletter* (Toronto, April 1974), *Network Voice of UAW Militants*, number 1 & 2 (1975), and the pamphlet, *Wildcat: Dodge Truck June 1974* are not only informative but part of the on-going struggle.

<sup>10</sup> Aronowitz (p. 428) finds the failure of auto workers to engage in this type of social planning evidence of the "defensive," "non-revolutionary" character of their struggle.

# 11

## WILDCATS IN THE APPALACHIAN COAL FIELDS

*William Cleaver*

*A little blow-out don't hurt nothin'. A coal miner ain't nobody  
until he goes on strike, then everybody's looking at him.*

THE 1974 COAL STRIKE AND SETTLEMENT WERE AN ATTEMPT BY CAPITAL TO stabilize class relations in Appalachia by bringing "labor peace" to the mines. The contract was a response to the miners' decade long wildcat movement. That movement involved not only the mine workers but the entire class community in struggle against mine owners and operators. The contract was an attempt to end that movement by denying locals the right to strike and by designing grievance procedures which could isolate problems inside the mines before they could develop into a wildcat. The wildcat movement, however, has not only survived but developed new intensity.

The wildcat movement has survived because it has become a method of community struggle and not simply a measure of "labor discontent" to be controlled at the point of production. The focal point of that struggle is the breakdown of the main capitalist division of the waged and unwaged. The wildcats not only brought workers out of the mines, but women, children, invalids and the unemployed out into the streets with their own demands. Because that breakdown has meant the joining of the strategies and demands of the waged and unwaged in Appalachia, wildcats have been directed against anything from corrupt local law enforcement to gasoline shortages to substandard health care in addition to specific mine issues such as safety and job posting.

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Reprinted from the journal *Zerowork*, 1975.

The joining of the struggles of the waged and unwaged grew, in part, out of the failure of capital's plans for Appalachia in the 1960s — the failure of the poverty programs. These programs attempted to respond to such community phenomena as "tax revolts," "welfarism" and "automation unemployment," without distinguishing between waged and unwaged sections of the community. Such a lack of distinction made it easier for those sections to end their political separation. In order to understand the terms and consequences of the failure of the poverty programs, it is necessary to understand the broader class context out of which the contemporary wildcat movement developed.

The struggles in the coal fields over the last twenty-five years may be divided into three distinct phases. The first, from 1950 to approximately 1962, saw the formalization of a union/industry alliance as capital's response to the wage struggles of the 1940s. The second phase that dominated most of the 1960s saw the re-organization of the institutions that had formerly mediated the struggle and the collapse of capital's plans for the division of different sectors of the miners. The third phase that began in 1969 has seen an abortive attempt to re-establish Union control over the working class, the expansion of the wildcat movement, and the introduction of the "energy crisis."

## II

During the 1940s the Federal government was forced to intervene against militant strikers several times in order to keep coal flowing to the war and reconstruction efforts. By the end of the 1940s it became clear that things had to change ("bayonets cannot mine coal," as Lewis said), or the Appalachian working class would fly out of control.

The strikes of the war years were victorious in part for occurring within a protected energy market. Government policy and ARAMCO rapidly changed this at the end of the war. ARAMCO increased its annual production of crude oil by a factor of ten between 1945 and 1950. The restructuring of international energy policy quickly made itself felt in North American market and transportation policies. Oil and gas competition brought stagnant prices. The transition from freight trains to trucks, from rails to roads, from barges to pipelines amounted to a revolution in primary goods transportation that struck the Appalachian miners "behind their backs." "The Brutus blow of dieselization" was decisive.<sup>1</sup>

This is the background required to understand the massive attack on the miners that was codified in the 1950 National Bituminous Coal and Wage Agreement. Signed between the operators and the United Mine



Workers(UMW) it marked the end of the Union's role in representing the struggle and announced its new position as an agent for the repression of struggle. By this agreement the Union engineered a sweeping technological re-organization of coal mining that drastically curtailed the power of the miners. It cleared away miners' opposition to the introduction of improved hauling equipment for thin seam coal, to the spread of the continuous mining machine, to new drilling and ripping equipment, and above all it guaranteed peace for the development of surface mining where the stripping shovel, the dragline and the bulldozer revolutionized productivity.

Against this, the wage structure was overhauled. Rates and differentials were simplified. Tonnage and yard payments were transferred to hourly rates. A substantial increase in individual earning was made possible by the reduction of the total payroll: between 1950 and 1960 the employment of coal miners dropped from 415,000 to 180,000. The combination of a wage and technological attack caused striking changes in productivity. Output per miner increased by 100 percent between 1950 and 1960. Surface mines were twice as productive as shaft or slope mines. To be sure this made mining more vulnerable to interruptions and attack as it placed a premium upon continuous operation at full capacity. Only the new Health, Welfare and Retirement fund was tied directly to productivity and this meant that pensioners who retained the right to vote in union elections formed the basis of internal union power that would be used more than once to diffuse local wage demands.

A direct consequence of the success of the capitalist initiative of the 1950s was an increase in the reserve army of the unemployed both in Appalachia and in the cities which were to become the major terminals of migration:

As the mines shut down, as the farms could no longer produce a living for those who worked them, as stores closed because of loss of sales, men and families by the thousands began a flood of migration from the mountains to the cities of the North and East. Over the past decade, a hundred thousand or more persons a year moved away from the mountains to Chicago, Columbus, Detroit, Cincinnati, and other metropolitan centers where at least the possibility of jobs existed.<sup>2</sup>

Mining families had to choose between unskilled jobs in the North or inadequate welfare in Appalachia.

By the early 1960s, the broad outlines of a new working class strategy began to take shape in the mining communities in the form of independent action against both the operators and the union. The first opportunity for

this had been the national union's call in 1959 for a strike against operators who were not abiding by the National Bituminous Coal Wage Agreement (by then amended several times). To its evident dismay, the national leadership was to discover that the strikers of 1959 were not the strikers of 1950. Even in their violence those previous strikers had been ultimately controllable. In 1959, all hell broke loose. By the time the strike was over, the strikers had destroyed millions of dollars of property, killed several scabs, and by their actions brought multiple damage suits against the union. Growing insubordination resulted when the national union "agreed" to allow numerous mines to go nonunion by either simple inaction or by actually withdrawing local certification. The workers' revival of the roving picket was a dramatic indication of the collapse of union management of the struggle. Other worker strategies included refusal to migrate, refusal to vote more taxes for community services, and most of all refusal to work. These, together with the demand for direct cash subsidies, provide the essential background to the new capitalist initiative represented by the war on poverty. Here is "state intervention" upon an entirely new basis.

### III

The new capitalist strategy which initiated phase two was called the War on Poverty, and the social planning it represented was first of all an attempt to reduce militant class struggle to manageable proportions. Capital's task was to take a movement which threatened the effectiveness of collective bargaining, and which had already demonstrated the inadequacy of union-managed wage struggle and union-managed community services, and shape it to its own purpose. This attempt involved a poverty program strategy of community organization which amounted to an attempt at community unionization in the sense that its purpose was to force all sections of the working class to come together into Community Action Programs (CAPs) to bargain for a social wage. The CAPs, like the legalized labor unions which emerged from the Thirties were to become the fundamental bargaining units of the community.

By forcing all segments of the community to bargain for a social wage, the poverty programs brought many previously unwaged sections of the community into an explicitly waged relationship. The methods by which this was accomplished were numerous. Manpower programs tied the wage to a willingness to be "retrained" to a "useful" skill. Matching Federal funds tied many aspects of the social wage (such as education and health care) to a willingness to vote for some kind of local tax. Much of the

available funding was tied to road building, loans to local businesses, and construction of public facilities. That is, receipt of those funds was tied to a willingness to submit to capitalist development.

As the poverty programs picked up steam, the CAPs and their community organizers began to develop their full potential as managers of social pressure. Numerous "self-help" programs (retraining projects, handicraft production, and so forth) "creatively" channeled community energies into acceptable outlets. Daniel P. Moynihan, then Assistant Secretary of Labor, best characterized their function:

... the primary function of community welfare programs is to provide surrogate family services. The logic of this relationship has taken us well beyond the original provision of food, clothing, and money, to far more complex matters of *providing proper attitudes toward work*, reasonable expectations of success and so forth.<sup>3</sup>

The CAPs, designed to function through the "maximum feasible participation of the residents of the areas" were intended to be the means through which residents of the areas systematically traded stability for an increased social wage. But what in fact happened was that the CAPs and similar programs subsidized the social struggle. Their mixing of waged and unwaged in various community development projects provided a new terrain in which the unwaged could use the newly available social wage (day-care, community kitchens, health care, "drop-in" centers, etc.) to free them from unwaged labor. The mine worker began to use aspects of the social wage (such as food stamps) to better reject the constrictions of work. And it is precisely this connection of welfare struggles and mine struggles which was to provide one of the material bases of the third phase of struggle.

The political unification of the struggles of the waged and unwaged in their demands for more money and less work laid the basis for the erosion of productivity that has characterized the last decade of struggle in the coal fields. A frustrated social worker described the breakdown in these terms:

They are crafty when it comes to receiving an income without working. An unemployed miner will inquire about which mines are operating and which are hiring when fulfilling the requirements to qualify for unemployment compensation. He astutely applies at the mine that is on limited shift operation and that has a complete complement of men. Upon being told that no jobs are available, he asks the foreman to sign his slip indicating that he has sought work and been refused. When channeled through the proper agency, this "proof" enables him to

continue "rockin" for another month. Through repetition of this procedure he is able to draw unemployment compensation until he has received maximum allowance. When he is sincere about working, benefits are computed in cash. A paid vacation, year-round employment, and a job with a definite future are neither desired nor attractive fringe benefits.<sup>4</sup>

As the link between wages and productivity was being severed, the union's authority began to disappear within the traditional wage struggle of the miners. When the union's unwillingness to extend its activities beyond its basic relationship with the operators became evident with the 1964 contract (Boyle's first), miners spread a wave of wildcat strikes across the coal fields. Roving pickets closed mines and some 10,000 miners took a week's vacation from the pits. This protest strike marked the real beginning of the open rebellion against the operators which could be called the wildcat movement.

One hundred forty five "work stoppages" erupted in 1965. Most of them were wildcats against bad working conditions, deepening poverty and lousy pensions. In August some 3000 miners walked off the job protesting the firing of one of their number. Union officials were unable to get them back to work. In September, separate walk-outs in Pennsylvania developed into a wildcat which spanned three states, freed 10,000 workers and shut down 15 percent of the nation's coal production for a month. As roving pickets threatened to close more mines, Boyle was able to take the steam out of the strike by promising to get the workers who had been fired reinstated — which he never actually attempted to do. His false promise was never forgotten.

The following year 50,000 miners walked off the job during contract talks when the BCOA attempted to dismiss Boyle's inadequate contract demands as "too expensive." In 1967 60,000 miners took an unofficial holiday protesting conditions in five states. Even Boyle's personal appearance could not get them back to work. Later, 10,000 Pennsylvania miners walked out in support of a group trying to organize two mines owned by the Solar Fuel Company. In less than a month, 70,000 miners followed them out of the pits.

In March at Oneida, Tennessee, the headquarters of the Southern Labor Union was dynamited. Later, in 1960, 10,000 miners ignored another Boyle "promise" to avert a strike during negotiations and walked out a week before the expiration of the contract. Ten days later 80,000 miners declared they would stay out until the "details" of the tentative agreement were worked out. One of the clauses of the final version of that contract provided a \$120.00 Christmas bonus to any miner who had not partici-

pated in a wildcat strike during the year.

As the wildcats undermined the traditional authority of the union another aspect of the conjunction of welfare and mine struggles appeared in the demand for the subsidized treatment and elimination, along with compensation for, Black Lung disease. The West Virginia Black Lung Association, whose statewide propaganda effort and legislative lobby provoked a massive wildcat and forced a barely adequate bill through the state legislature accomplished in these successes two far more important things. First, it shifted the focus of struggle from the job site and community to the state. Secondly it successfully combined a demand for an expansion of the social wage (Black Lung benefits) with an effort to influence job site conditions which bypassed the union.

Not only was the Black Lung Movement an organizational expression of autonomy from the union, it was also a demonstration that Boyle could be openly resisted. In 1969 the strength of Jock Yablonski's challenge to Boyle arose in part out of Boyle's inability to control the rank and file and the resulting decision on the part of the operators not to place anything in the way of his campaign drive. That Yablonski's campaign was a real reflection of the power of the struggle is indicated by the successful formation after his death by factions which had supported his candidacy of an opposition caucus within the union. This caucus, the Miners for Democracy, was sufficiently grounded in the previous cycle of struggles to offer a plausible option to the "anarchy" of the wildcat movement. It promised that the UMW could again become a "fighting" union firmly within the control of the rank and file.

Thus the crisis in the US coal industry took several forms, only one of which is indicated by the crisis of the union. In the late 1960s, early 1970s, the welfare roles and unemployment statistics rose sharply without affecting the decline in productivity. The miners' attack on productivity is most dramatically shown by the halving of the death rate at a time of increasing levels of employment: over 1972/73 it fell from 300 to 150 miners killed. To the community organizers of the JFK/LBJ mold, the crisis was summed up by an attitude toward work:

Because work's only purpose is earning a living, the mountaineer when unemployed has a different attitude toward unemployment insurance from the one middle class leaders envisioned when they set up such payments in the law. . . . The mountaineer . . . sees this insurance as a legal substitute for work for the entire period that it comes to him.<sup>5</sup>

Thus the reserve army of the unemployed was ceasing to be the threat that could guarantee acceptable levels of accumulation and productivity.

## IV

Miners' struggles in the 1960s should not be understood simply as a struggle against the mediation of the union to which the MFD "reform" was an appropriate answer. In fact, the struggle persisted and deepened with the success of the MFD. The content of the struggle bypassed the "reform" movement and left it to fight skirmishes on incidental terrain. The wildcat movement, the productivity decline, and absenteeism were responses to the new bases of capital's power. The only appropriate setting for this struggle is the expanded and integrated circuit of energy capital that by the end of the 1960s included the international energy network. OPEC, Alaska, Montana and the Dakotas, as well as the Duke Power Company. Within the context of this circuit the "rationalization" of the industry during the 1960s and the formation of an international energy policy were, as such, responses to working class power.

In the mid-1960s the position of coal in US industry was transformed from a group of cooperating companies to a division of the growing energy industry.

But before the early 1960s such a reorganization and rationalization of energy production and distribution would not have been possible. Before then there was no unified energy industry. Thus any rationalization into an energy industry was premised on the ordering of the affairs of the coal industry. The union/industry alliance was able to accomplish this by: 1) rationalizing the means of dealing with labor by implementing a national contract – a single means of establishing relations with the working class in coal, and 2) development of a national centralized marketing apparatus – the means by which consumption patterns could be easily realigned.

During the 1960s most of the large coal companies were either acquired by oil companies or "captured" by industries with an immediate need for coal (steel, railroads, utilities, etc.). Between 1962 and 1969 the share of production controlled by independent coal companies fell from 32 percent to 10 percent.<sup>6</sup> By 1969 thirteen companies controlled 52 percent of total US coal production. The largest of these were able to dominate the marketing and pricing policies of the others. With market control and growing centralization it is probable that the thirteen largest companies controlled about two thirds of coal sales on the commercial market.<sup>7</sup> Seven of these had already diversified into coal, natural gas, shale and tar sands. Most of the others had already been significantly penetrated by oil and gas interests.

However, the simple vertical integration of the coal companies (the

"captive" mines) with steel, etc. is not the "rationalization" of the 1960s. To speak, on the other hand, of horizontal integration (coal, gas, oil) can be equally misleading unless it is understood as lending fundamentally new international flexibility and velocity to the circuit of energy capital. Through it "social planning" of transport, fertilizers, steel and energy is made possible. This power of planning is nothing less than a new effort to establish a basis of command over the working class as a whole.

Beginning in the early 1960s, the American centralization of coal companies must be seen as a national aspect of an international process the leading catalyst of which is the US government. US coal reserves are increasingly under the control of the government. Federal leased coal acreage quadrupled between 1960 and 1970 with the top ten lessors controlling 60 percent of the acreage. At the same time the percentage of leased Federal coal lands under production fell during the period from 13.7 percent to 2.4 percent.<sup>8</sup>

Perhaps as important as Federal leasing policies in the reshaping of American energy policy was the passage of federal anti-pollution and environmental legislation. While this is not the place to provide an adequate analysis of this legislation or the movement out of which it came, there are two points to be stressed. First, and in part, it represented an attempt to socialize the militance of the coal operators. Throughout the 1960s the operators attempted to reestablish control over the working class by revolutionizing production by means of speedup in deep mines and the mechanization of strip mining. But this technological offense faced the immediate danger of open warfare against fixed capital.

In August 1968, \$800,000 worth of machinery was blown up in Bell County Kentucky. One evening in December, four months later, just across the border in Campbell County Tennessee local saboteurs dynamited nearly one million dollars in machinery belonging to the Blue Diamond Coal Company, including a diesel shovel, a railroad car, two large drills, and several trucks and bulldozers. Sabotage on a smaller scale occurs frequently; steamshovels worth between \$50,000 and \$90,000 are often found demolished. Armor piercing bullets have been fired at working bulldozers during the day and gun battles with company guards are not unknown at night.<sup>9</sup>

In the face of a possible expansion of this violence, the technological offensive had to be coordinated via the state as a part of regional planning. The selective restraints imposed in the name of environmental legislation became one form of accomplishing this.

Second, anti-pollution legislation aimed against the mining of high

sulphur coal, stimulated the operators to move West – an area where the UMW had had little organizing success. The western reserves which were low in sulphur content had the added advantage that they did not have to be mined by a working class experienced in the wildcat movement of the 1960s.

The magnitude and scope of capital's counter-attack in the 1960s entails the most diverse elements: anti-pollution legislation, the rationalization of the industry through multinational financial enterprises, the development of energy as a pole of command over the entire working class, and finally the geographical "reorientation" of production and its international integration.

Only within this context can either the inadequacy of the reform movement or the 1974 contract be understood.

## V

By 1970, the state, through the Labor Department, the Senate, and the Federal courts began active intervention against the old union and the Miners for Democracy mounted a massive and successful organizing effort in most union districts. The disruption of production and the still increasing number of work stoppages (which in fact underestimated the man days idle and the value of lost production) could now be seen as a part of the union reform movement. This appearance, though very short lived, required that the Federal government grant substantial concessions to the MFD as it seemed to be making headway in the transformation of the "anarchic" situation into stable though costly labor relations.

The May 1972 MFD convention nominated Arnold Miller, Harry Patrick, and Mike Trbovich to run for top union office. The convention also committed the MFD to the demands of the wildcat movement. These were: 1) the local right to strike, 2) the separation of income from productivity, 3) miner-enforced safety regulations, and 4) district autonomy. The slate and platform represented the first rank and file action in an international union election in over fifty years. On these bases the Boyle machine was swept out of office. Immediately Boyle sympathizers were purged from the national office. Pension and hospital benefits were increased. The union took the lead in the enforcement of safety regulations in the mines.

Perhaps the most dramatic action by the new leadership was the decision to support the reunification of the Brookside mine in "Bloody Harlan County" Kentucky. But the Brookside strike of 1973 was more than a simple revival of a depression-style organizing drive. The violence and



publicity surrounding the strike would have appeared as an orchestrated revival on traditional terrain of struggle had it not given sanction to the generalized wage struggle which had begun in the 1960s. The unwaged and miners alike wanted safety committees and hospitalization benefits, they also demanded their own homes, recreational facilities, plumbing and bathtubs.

At the Pittsburgh convention in December 1973 rank and file delegates rewrote the union constitution and outlined the collective bargaining demands for the 1974 contract. Loudly rejecting pleas for a no-strike clause, the miners made several important demands clear. First, no contractual abridgement of the right to strike would be tolerated. Second, all safety rules must be rigorously enforced. Third, by combining demands for paid vacation, sick leave, a cut of two hours from the working day, a substantial increase in the wage rate, and a cost of living allowance, as well as by voicing their resentment of the tie of the pension fund to productivity, the mine workers sought to further sever their wage rates from productivity.

From the point of view of actual struggle during this period, the demands expressed at Pittsburgh were a pale reflection of the developing movement. In the Spring of 1974 mine workers in southern West Virginia formed the Miners' Committee to Defend the Right to Strike. This, with similar formations elsewhere, forced the Union to include the right to strike over local issues in the 1974 contract demands. The number of work stoppages in bituminous coal mines during that year approached two thousand — double the number in 1973 and nearly ten times the average number of the first half of the 1960s.

Two elements of the 1974 wildcats must be stressed. First, in the wake of the Yom Kippur war and the "energy crisis" they presented demands for the price roll back of gasoline. The miners leveled this demand against the state — a principle planner of the energy circuit. Thus it is a movement that recognized that capital now seeks to control the relationship between the community and the pit by the political manipulation of basic commodities. Secondly, these wildcats intersected with the independent truckers strike and, to a lesser extent, with the collapse of union authority in the auto strikes of that year. In both the expansion of struggle and in its new content there is a clear recognition on the part of the miners of the new basis of capitalist planning. The UMW and for that matter any organization which seeks to organize the working class simply on the basis of its nominal wages can have no role in a struggle about the real determinants of the wage.

Throughout 1974 Miller attempted to brand the right to strike movement as a local concern of southern West Virginia and the gasoline price roll-back movement as no concern of the union at all. By August *Business Week* could speak of Miller as:

... no longer indulging in the tough talk of a six month strike as he did last December in his first UMA convention ... Miller and the operators are also talking seriously about modernizing a union management relationship that is probably the worst in industry ... At a series of district conferences, top members took great pains to try and reduce the members' expectations to realistic levels.<sup>10</sup>

The real significance of the 1974 national negotiations and the contract that resulted from then resides neither in the "betrayal" of the demands of the Pittsburgh convention nor in a personal "sell-out" by Miller. The contract was designed to get the miners back to work and to remove the basis of the wildcat movement.

From this perspective, the politicking of the negotiations – the rejection of the first draft contract, the "testing" and "hardening" of Miller's personal position, the "timely" intervention of "informal" federal personal – are of no importance in comparison to the content of the settlement. One of the first demands to be eliminated was the right to strike over local issues – a hedge against court injunctions and restraining orders. One local was fined \$30,000 for striking over a life and death safety issue. All safety issues were to be arbitrated. To be sure, the contract did "allow" individual miners to withdraw from an unsafe area, but this was a right already guaranteed by federal law. The procedure is such that if arbitration finds against the individual miner he is then subject to disciplinary action including discharge. The power of the company to fire a sick miner as a potential hazard is expanded under the new contract. Accidents and illness are under-reported as a result. Benefits on vacation, pensions and retirements are graduated according to seniority, amounting, in a pattern familiar in the auto industry, to a form of blackmail tying the worker to a lifetime in the mines. The rights of the Health and Safety committees were curtailed. They could no longer make unannounced spot inspections. Time limits were imposed on the initiation of grievances. The powers of the committeemen were restricted. The number and articulation of special pay categories were increased. The six hour, four shift day, and the demand for pay during safety shut-downs were lost in the general rhetoric that this was, in Millers' words, "the best contract negotiated in the history of the labor movement."

Fifty-six percent of the miners voting, but a minority of the miners eligible to vote, ratified the contract. Those who voted against the contract consisted largely of the militant base that had provided the MFD with its initial driving force. The strike over the contract should be seen as a continuation of the wildcat movement in that it provided an industry-wide reference point for the elimination of differences among miners and working class communities. Indeed, the month immediately after the contract was signed saw the worst series of wildcats in the entire year.

## VI

In the first seven months of 1975 the rate of wildcatting is on the increase. Intensification of struggle in the mines and mining communities has grown out of the interlocking of those struggles. And the problems of each have become the struggles of both. The importance of this for the quality of struggle in the mines was lamented by one coal company official: "They're striking over anything. They'll strike if they don't like the local sheriff. How can normal labor-management relations deal with that?" Wildcats triggered by mine "labor" issues are beginning to bring broader community issues into the picture. Increasing miner participation in Mountain Community Unions and Welfare Rights Organizations is bringing a greater intensity to struggle there. Community dependence on the mines is lessened with the broadening of that struggle.

Proposals for the long term solution to labor unrest is beginning to move out of the area of simple "labor-management relations" and toward the direct appeasement of increased income and "profit-sharing." Writing in 1974, Ford foundation energy researcher David Freeman proposes:

There are two environmentally satisfactory ways of enlarging coal production. One approach is to achieve increased production from existing deep- and strip-mine operations. To do that we must solve the problems which are creating 41/2 day work week in the coal industry. Unless management adopts a more safety conscious and profit-sharing attitude. we face a deepening crisis in coal production. With the price coal now commands, the mines can be made safe and labor can be given more generous salaries and fringe benefits. Given labor peace in the industry, coal production can be increased some 20 percent over 1973 production without opening more mines.<sup>11</sup>

What does the expansion of the circuit of energy capital mean from the point of view of the working class? It is a direct response to a cycle of struggle which has outflanked the traditional institution of the manage-

ment of the struggle – the union. Rumors spread about fast bucks on the Alaska pipe line and mine job notices tacked up on bulletin boards in Detroit show how the expanded circuit is attempting to manipulate labor markets not through the traditional local pools of the reserve army of the unemployed but directly from one productive circuit to another. Along with this, capital is attempting to reimpose its command over the working class in coal by operating “behind their backs” by attacking them through the sphere of circulation. The institutions through which capital seeks to manage the struggle now shift to include the refrigerator, the school, and above all, the filling station.

The attempts to expand the competition for jobs by stimulating migrations back from the North has only served to draw many Appalachian families back to a more familiar terrain and to simply expand geographically the militance of former autoworkers. The attack on income through the sphere of circulation (inflation) is increasingly understood by miners as attempts to reduce their power by means of high mortgage rates, greater taxes (educational bonds), and soaring TVA electrical bills.

Capital's failure to establish effective control by these methods has meant the collapse of the contract less than a year after its ratification August 1975, 80,000 miners walked off the job demanding the right to strike. The failure of the union and the operators to set up any effective working grievance procedure revived the demand for a local right to strike. The Miller administration's role in that failure along with its continuing efforts to separate “labor” from “community” issues place it squarely against the wildcatters. When the Miller administration tried to get the miners back to work they were greeted with catcalls, “Miller is a Scab.” The Union's tactics in attempting to divide the strikers and its apparent support of government threats of intervention signal the final failure of the initiative to break working class autonomy by the “reform” of the union.

### Notes

<sup>1</sup> C.L. Christenson, *Economic Redevelopment in Bituminous Coal: Technological Advance in US Coal Mines, 1930-1960* (1962), p. 252.

<sup>2</sup> Jack Weller, *Yesterday's People* (1965), p. 21.

<sup>3</sup> M.S. Gordon, *Poverty in America* (1965), p. 47.

<sup>4</sup> Rena Gazaway, *The Longest Mile* (1974), p. 238.

<sup>5</sup> Weller, p. 104.

<sup>6</sup> David S. Freeman, *Energy: The New Era* (1974), p. 154.

<sup>7</sup> *United Mine Workers Journal*, 15-31 July, 1973.

<sup>8</sup> Freeman, p. 154.

<sup>9</sup> Paul Nyden, "Coal Miners, 'Their' Union, and Capital," *Science and Society*, XXX, 2 (Summer 1970).

<sup>10</sup> *Business Week*, 31 August, 1974.

<sup>11</sup> Freeman, p. 315.



## SELF-REDUCTION OF PRICES IN ITALY

*Bruno Ramirez*

WITH AN INFLATION RATE OF OVER 25 PERCENT, WIDESPREAD UNEMPLOYMENT and increasing repression, Italy's current economic crisis shows how far capital is willing to push its attack against the living conditions of the working class.

One of the distinct marks of this crisis – in Italy as well as in other capitalist countries – is the extent to which class conflict has widened, involving directly the area of social consumption. The dramatic increase in the cost of living is in fact setting off a wave of struggles dictated by the working class need to protect their wage gains and to ensure adequate access to essential goods and services such as food, housing, utilities and transportation. It is no coincidence that, particularly in Italy, capital's massive move onto this terrain comes after a long cycle of factory struggles which have yielded considerable gains in wages and working conditions. It shows the coherence of capitalist strategy – a coherence which has been forced to become explicit by the organized resistance of wide sectors of the working class.

The practice of “self-reduction” – i.e., the refusal to comply with price increases of essential services – is the answer that has emerged from this terrain of struggle. The character of this struggle raises important political questions both for capital and the working class. How can this struggle be mediated and brought under control? To what extent does the brunt of this struggle fall primarily on one sector of the working class – i.e., housewives, as the central protagonists in the area of social consumption?

Self-reduction is not an entirely new phenomenon in Italy. For instance, at Magliana, one of Rome's largest working class districts, some 2,000 families have been practicing self-reduction for the past two years,

cutting their monthly rent payment by 50 percent. And this is by no means an isolated case. What is new is the way in which this practice has spread to other sectors of essential social consumption, such as public transport, electricity and home heating.

When viewed in the context of parallel practices – such as squatting and organized mass appropriation of groceries from supermarkets – this struggle becomes more than merely a defensive one. It becomes – as some militants have called it – *a struggle for the reappropriation of social wealth produced by the working class but unpaid by capital.*

### Explosion of Self-Reduction Struggles

When on a Monday in August 1974, hundreds of commuting workers found out that their bus fare from Pinerolo to Turin had been increased by almost 30 percent, few people would have predicted that such a relatively insignificant event could provide the spark for a new wave of struggles. To those commuters, the fare increase – decided by the bus line during the two-week summer shutdowns – sounded like an act of cowardly provocation. It took only a few days to organize some action and mobilize the commuters travelling on the bus line. The following Monday, the plan of action was ready. Workers set up tables near the bus terminal with signs all around saying, “Refuse the fare increase!” But more importantly, they issued substitute weekly bus tickets, selling them at the old price (tickets are normally bought by commuting workers on Mondays, and entitled them to one week’s travel). The bus company responded by shutting down its operation, so hundreds of workers that morning did not go to work, and continued their mobilization. In the afternoon, they sent a delegation to the Regional Bureau of Transportation to demand that the old fares be reinstated, and that in the meantime the substitute bus tickets be accepted. After a few days of pressure, the Bureau ordered a suspension of the fare increase.

The spark had caught fire. Within a few days, similar events were occurring throughout the heavily industrialized region around Turin. On September 17, the Regional Authorities issued new guidelines for inter-urban transportation fares applicable to the 106 private bus lines operating in the region – guidelines which substantially reduced the increases already enacted or proposed by the bus lines.

The first round of self-reduction struggles had yielded its fruits. The practice however was quickly spreading to other regions of Italy, disseminating chaos in municipal and regional governments and in the trade union bureaucracies. By the end of September, the media networks were



hysterically condemning this outbreak of "civil disobedience" and the Italian Communist Party was solemnly reminding workers that the only valid method of struggle is the strike.

The next logical step for the workers was to apply this form of struggle to other areas of social consumption. The electricity bill figures high in the budget of most working class households, and it is to this item that the struggle suddenly turned. One could hardly think of a more politically explosive choice. For one thing, the electricity industry in Italy is nationalized, and adopts rates which are applied throughout the whole country. The State would therefore become the direct target in a struggle whose potential for generalization among the working class would be enormous. Moreover, popular sentiment against the State controlled electricity corporation (ENEL) was at a high point because of recent increases in electricity rates at a time when the corporation had been caught in a scandal involving the financing of political parties. ENEL's policy of granting reduced rates to industry as a form of subsidy (roughly 25 percent compared to domestic rates) also added fuel to the fire, as it is viewed by many as a blatant act of discrimination.

The initiative came again from the heavily industrialized areas of Turin and Milan. The initial support given by local trade union officials or local trade union bodies (e.g., the Turin Labour Council) was instrumental in facilitating the mobilization of workers in factories. It made it possible to utilize the organizational apparatus of the in-plant workers' councils for this purpose, especially once the councils' executives had expressed their support of the struggle. In most cases, the mobilization involved setting up "self-reduction committees" whose task was to collect workers' electricity bills and issue substitute bills, often bearing the stamp of the unions. Workers would then enter the new amount, usually a 50 percent reduction, and then pay the bill.

The mobilization, however, was not confined to the factories. As this practice spread throughout Italy, self-reduction committees sprang up in urban neighborhoods as well as in small rural towns. In some of the large urban districts, the setting up of these committees was facilitated by the prior existence of neighborhood committees with a long history of community struggles. Most of these committees are made up of delegates from each block or apartment building, whose task is to mobilize their neighbors, coordinate the activities of various buildings and make links with nearby neighborhoods and factories. The support given by ENEL workers, who often refused to enforce the company's orders to disconnect electricity, was also an important factor contributing to the success of the

struggle. Through this combination of factory and neighborhood mobilizations, by the end of December, tens of thousands of electricity bills had been collected in every major Italian city. Turin was at the head, with about 140,000 bills collected.

### Housewives – Protagonists of the Struggle Against More Housework

To a large extent, the political significance of this wave of struggles lies in the territorial link up it is providing between factories and neighborhoods. As a worker from Naples explained: "In Naples in the past we have had experiences of self-reduction of water bills, gas bills and electricity bills; but they have always been restricted to some building or some neighborhood, and have never caught on in the factories or in the unions. But today the situation is quite different and offers a great political potential" (*Lotta Continua*, Oct. 4, 1974).

It is however in the neighborhoods that this mobilization is having its most dramatic effect, because it is often interwoven with other struggles such as squatting and self-reduction of rents. Moreover, despite the fact that factory workers have often been the spearhead of the mobilization, it is ultimately at the level of the neighborhood that the brunt of the struggle has been borne. This is where people have to face ENEL officials who come to either collect the bills or to disconnect the electricity. And this is where they often have to confront the police and the fascist groups who are sent to disrupt the process of mobilization. It is this dimension of the struggle which has shown the crucial role of housewives as central protagonists. Their role stems also from other considerations. If there is one item of productive consumption which falls squarely within the work of housewives, it is electricity. The increase in electricity rates amounts in effect either to a speed-up imposed by the State on housewives, as it forces them to perform the same amount of housework (cooking, washing, ironing, cleaning, etc.) in a shorter time, or to extending their working day by forcing them to do more work by hand.

It is obvious that capital's attack at the level of productive consumption stems from its difficulties in halting the wage increases that workers have won in the factories. Although this attack is directed against the working class as a whole, it tries to exploit the division of labour (factory waged labour vs. domestic unwaged labour) on which capitalism rests, by hitting a weaker sector of the class, i.e., by squeezing more unpaid labour from housewives. To see the central role of housewives in this wave of self-reduction struggles as merely a show of solidarity toward factory struggles

would be clouding a very important process with empty leftist rhetoric.

The role of housewives as central protagonists can only be understood by the fact that their material conditions of work are the immediate target of capital's attack, and hence, that this struggle is in a very important sense *their* struggle against *their* increased exploitation. Only after this point has been made clear can one talk of solidarity.

In this light, the struggle to reduce substantially the monetary cost of a family's productive consumption has become very crucial for the survival of many working class households. This is particularly true in large urban neighborhoods, such as in Rome and Naples, where people make their living through marginal occupations (petty trade, black marketing, prostitution, etc.). The fact that in most of these cases the wage relation between capital and the male breadwinner is either non-existent or highly unstable has produced a dynamic which escapes the trade unions' mediating mechanisms. This explains why in these cases the self-reduction practice has exhibited a higher degree of autonomy both in its direction and content, allowing housewives to exercise the leadership which the terrain of these struggles confers on them. It is important to note, for instance, that in many neighborhoods the slogan was not "50 percent reduction" (the direction given by union officials in factory mobilizations) but rather, "Let's pay the rates the bosses are charged," which means a reduction of more than 75 percent.

### The Trade Unions' Management of the Self-Reduction Struggles

The contrast between factory mobilizations and neighborhood mobilizations can be better grasped when one looks at the strategy pursued by the unions in order to control and channel the self-reduction struggles – a strategy which is reminiscent of their role in the 1969 wave of factory struggles.

The initial outbreak of self-reduction struggles and the workers' use of the workers' councils (most of which are union-controlled) forced union officials to take a position. Similarly, in many large working class neighborhoods, the Communist Party was confronted with the situation of many party militants joining the self-reduction struggles and often even using the local party sections to help the mobilization. But while the CP leadership did not take long to condemn this practice, calling it "divisive" and a "provocation" by a few ultra-leftist groups, the situation was much more complex for the trade union leadership.

There is no question that the role played by some local trade union officials – many of whom are members of various Marxist organizations

(e.g., PDUP-Manifesto) – was very instrumental in gaining the support of local trade union bodies, especially in the Turin and Milan areas. But for many other union officials, the outbreak of self-reduction struggles was viewed in the context of the increasing dissatisfaction among workers with the unions' obstructionism in the development of a broad mobilization against the rising cost of living. This was clearly expressed by the secretary of the Turin Labour Council: "What is at stake here is our relationship with the people; what is being questioned is our ability to build an alternative. In these last months, the credibility of the unions has hit a low ebb . . . [in order to regain it] it is not enough to demand 50,000 or 100,000 liras for the workers, we must instead come up with alternative political solutions" (*L'Espresso*).

When this "alternative solution" started rolling, it was again the old time Italian trade union politics. While the lower level union leadership in the main supported this new wave of militancy – being directly confronted by this upsurge of struggles – the national leadership was buying time, avoiding a clear-cut position. This posture was largely dictated by the necessity to maintain the shaky balance of alliances among the three national union federations, which has repeatedly been threatened by the "ungovernability" of the working class, and consequently by the state of crisis in which all political parties are enmeshed.

The wait-and-see strategy began to pay off when the Rumor Government resigned in early October, setting off a long governmental crisis which lasted through the rest of the month. The absence of a cabinet at a time when the self-reduction movement was quickly spreading throughout the country undoubtedly had the effect of dramatizing the impact of this wave of struggles. It also contributed to giving the unions – the only institution which could conceivably control and manage the upsurge – the leverage necessary to influence the formation of the new government. In the political formula which enabled the new Moro Government to take power at the end of October, one essential ingredient was the support given by the unions – on the condition that the new government would commit itself to a national renegotiation of cost of living allowances. A further condition was a revised schedule of electricity rates. From now on, the autonomous, rank-and-file controlled development of the self-reduction struggles had to be stopped. The logics of class mediation and the unions' credibility vis-a-vis the government demanded it.

During the long period of negotiations between the Government and the three national union federations – culminating in the agreement at the end of December – the impact of the unions' new policy vis-a-vis the self-

reduction movement became evident in the factories. The overwhelming majority of workers' councils executives ordered a stop to the mobilization. This meant that workers who wanted to continue the struggle had to do so in opposition to these union bodies. The confrontation was often fierce, showing the extent to which the unions cared more about their credibility with the government than with the workers.

At the Alfa Sud auto plant near Naples, for instance, the target of 2,500 reduced electricity bills was reached by bypassing the workers' council. At the Italsider steel plant in Bagnoli, several workers' council executive members were forced to resign by workers because of their opposition to the mobilization.

Despite these and other successes scored by autonomous rank-and-file forces in several factories throughout Italy, it was clear that the self-reduction mobilization at the factory level had been severely affected by the imperatives of trade union politics. To a large extent, therefore, the continuing of the struggle lay with the neighborhood mobilizations, where the mediation of the unions was proving unworkable, and where there was a basis to resist and counter the direct repressive attacks by the State.

The new agreement over a national COLA package, which includes revised electricity rates, has marked a significant step forward in the process of the unions' integration into the capitalist state apparatus. The extension of their bargaining functions into the politically explosive area of essential consumption makes the unions a crucial partner in capitalist planning in this area. Not only do the unions co-manage the determination of wages and their distribution, *they also co-manage the way wages are used in the area of social consumption.*

In retrospect, the unions' course of action had other significant implications in terms of the dynamics of the struggle. Their involvement had the function of separating the initial autonomous links between factory and neighborhood mobilizations, and then of attempting to impose a new link "from above" by co-managing along with the State the new electricity rates and their acceptance. This illustrates clearly the crucial political importance of the unions in the context of Italy's economic and political crisis: they are the only institution that can mediate between the worker as wage earner and the worker as consumer of essential goods and services, and thereby continue to conceal the exploitation of unwaged workers – above all, housewives.

### **The Future of Self-Reduction Struggles**

The agreement, however, has merely closed a chapter of this struggle. It has not put an end to the self-reduction practice which, particularly in neighborhoods, has continued practically unaffected by the trade union-Government politics. Nor has the mobilization in the factories been brought to a complete halt. Recent months have witnessed a revival of the struggle in an increasing number of factories. A motion to support the struggle of the self-reduction of electricity bills was approved at a special meeting of 1,000 workers' delegates in Milan recently, indicating the degree of resistance the unions may still encounter among workers. In part this new upsurge stems from the workers' reaction to the new electricity rates, which became effective in January. The new rates are based on a graduated system, depending on the level of consumption of each household. In effect, for a typical working class family, the new rates mean an increase of 33 percent.

Many feel this increase is certainly worth the struggle; particularly the millions of housewives for whom a forced reduction in the consumption of electricity means more work, with housework normally done with electrical appliances now being done by hand. If the present policy of Italian capital is to reduce levels of consumption in order to patch up the current economic crisis, it has become clear to what extent the burden of this political operation falls on the shoulders of housewives. It makes it possible to squeeze from them a huge new amount of unpaid labour without serious inflationary consequences. The present Italian crisis has shown with unusual sharpness the importance of the home as a unit of production, and housewives as protagonists of the struggle against capitalist planning in this sphere.

February 1975

## STRANGE VICTORIES

*p.m.*

## Part I: Who is Involved in the Anti-Nuclear Movement

STRANGELY, THE ANTI-NUCLEAR MOVEMENT DID NOT ORIGINATE IN HIGHLY populated, industrialized and polluted areas where, it could be assumed, a struggle against environmental dangers would seem to be urgent. The anti-nuclear movement is not an immediate response to the attack on the quality of life which takes place in the "industrial triangles" of the US and Europe. In West Germany, where the anti-nuclear movement first started, it emerged not in the traditionally polluted Ruhr area, but in Southwest Germany in a rural zone of vineyards and small farmers (Why!, 1974). The same was true for France (Malville, near Lyons, is situated in an essentially rural area), Switzerland (Kaiseraugst, Goesgen, etc.) and Italy (e.g., the nuclear plant of Montalto di Castro in the Maremma). A similar type of area is found near Seabrook nuclear plant in New England, which is one of the few regions of the US where an older type of small or middle-sized farming and fishing exists (in the rest of the US we should rather speak of agricultural industry).

But the strange location of the anti-nuclear movement is not so puzzling at a second look: It is due to the conscious choice of the nuclear industry. The "back-to-the-land" movement of capital is easily explained by the "bad experiences" it had in the metropolitan, industrialized centers. Urban riots, student agitations, workers' struggles were developed and favoured by the urban environment. The capitalists realized that the cities were dangerous for their health.

Nuclear development presented possibilities for a new organization of industrial geography, a new industrial frontier. Never before in the history

of capital have the sites of industrial installations been more carefully planned than nuclear power plants. *Some* decisive aspects of this planning have been:

- minimizing risk in case of accidents (rural areas are less populated and pose fewer problems in case of evacuation);
- safety-distance from dangerous, unreliable class-sector (problems of sabotage, "bad" influence on personnel);
- strategic locations around metropolitan agglomerations (very useful for evacuations for different purposes, e.g. in case of social troubles);
- political passivity or conservatism of the local populations; (in this respect capital made some of the most painful miscalculations).<sup>1</sup>

Plant locations were chosen from the beginning to prevent protests and organized actions against or within nuclear plants. The problems of communication and organization in rural areas compounded by the complicated class situation mixing small owners, wage-dependending people or rural intelligentsia, coupled with the relatively immense financial power of the companies, were supposed to guarantee a quiet development and disarm any opposition.

While this plan worked in some cases, it did not in others. Protests developed despite the difficult conditions. Pay-offs to local governments and some advantages to local businesses could not always effectively divide the local population. However, the anti-nuclear protest of local communities usually did not go beyond legal actions (voting in town meetings, law-suits, petitions, media action, etc.), although there are some significant exceptions, mostly due to the farmers' radicalism (tractor blockades in Germany, cutting of power lines in Minnesota, and other episodes). For them the construction was not mere "danger for mankind during the next 500,000 years," but a direct attack on their income.<sup>2</sup> Confronted with the allied power of the companies and the government, these legal actions led mostly to a dead-end. Only the emergence of an *additional factor* decided whether the struggle would move to a higher level or the nuclear industry had won that round. Only where this "factor" was present can we speak of an anti-nuclear movement.

### An Additional Factor

This "additional factor" was introduced by an important change in the class structure of some rural areas which occurred in the early seventies, a period when the planning and location of the nuclear plants had already



been completed. (In the US, this process takes about 12 years; while in Europe it *used to be faster*, but most plants now completed had obviously been planned in the sixties.) The change we are speaking of is the resettlement of urban intellectual workers (wage-depending professional, teachers, artists, journalists, social workers, students government workers, etc.) in rural zones, a move largely stimulated by the various sixties movements. As a "back-to-the-land" movement, it chose rural areas which were not too isolated and too far from the cities, for it needed continuous contacts with the educational and cultural industries.

In the US this "additional factor" decisively emerged in two regions: in New England and in California.<sup>3</sup> These are, not surprisingly, the areas where anti-nuclear movements have developed most continuity and mass character. The choice of these areas is directly linked to the specific interests of this intellectual proletariat. (We use the term proletariat in the original Marxist sense: all the people who live on a wage and cannot live on their capital without working – "independently of whether the wage is high or low.") On the level of production these areas are the major national or regional centers of the education industry in which workers receive "skills" and qualifications which result in a higher *valuation* of their labor power. They provide a variety of full-time, part-time, seasonal and temporary jobs themselves and in related businesses, such as bureaucracy, social assistance, book-stores, printing-shops, building-maintenance, drug-dealing, culture, art, sports, psychiatry, restaurants and small shops, etc. A look at the rate of private and public education expenditures per inhabitant in these areas can give some evidence.

The most typical case for us is Massachusetts, with expenditures far above the 2nd ranking New York, and forming the center of the New England area, while New Hampshire and Connecticut follow close behind in the national ranks. Moreover, rural New England has a good network of highways leading to nearby major cities like New York and Boston, the educational and cultural center of the US. Thus, rural New England has attracted a lot of intellectual workers in search of a quiet country life. To a lesser degree, this is also true of California around San Francisco, and other areas. Rural New England and California offered not only possibilities of external jobs, but also conditions for *cheap reproduction* of this type of worker. By the term *reproduction* we mean all the work that has to be done in order to keep us in shape so that we are able to work: eating, clothing, relaxation, medical care, emotional "services," discipline, education, entertainment, cleaning, procreation, etc. Sometimes what we call "life" is, in reality, only reproduction for capitalist exploitation. Cheap

reproduction is particularly urgent for the intellectual workers as they hold only temporary jobs or part-time jobs or live on welfare and food-stamps.

In New England, subsistence farming, collective reproduction (communal living) and mutual use of the skills of the highly qualified intellectual labor force via the substitution of capital-intensive reproduction (hospitals, microwave ovens) by labor-intensive reproduction techniques (macrobiotics, yoga, bioenergetics, meditations, massage, walks and fresh air) were favored by the agricultural structure, the climate (which imposes a certain discipline), the vicinity of metropolitan areas and low real estate prices.

This constellation allowed a certain refusal of full-time intellectual worker and the loosening of capitalist control over it. Under this aspect, the retreat to the countryside and the alternative lifestyle are forms of struggle by intellectual workers against capital. *Capital has always had problems in controlling its intellectual labor force mainly because the profit returns are indirect and slow, particularly for disciplines like philosophy, literature and art.* This loose tie between intellectual work and capital does not imply that it stands outside of capital, even if it is temporarily devoted to apple picking, woodworking or cow-milking, and if it is geographically separated from the centers of formal capitalist command (like universities, publishing houses, etc.). There is no such thing as "outside of capital" in a capitalist society: from a long-term perspective, the "back-to-the-land" intellectuals are just testing out new capitalist possibilities of dealing with certain problems of cheap production.

One of the requirements for the cheap reproduction of the "back-to-the-land" intellectual labor force is a relatively intact natural surrounding. Nature, if intact, is cheap or even free. Nature as a means of reproduction is important for these intellectual workers because the specialization and one-sidedness of their work generates psychological instability and requires periods of complete relaxation without jarring sensorial stimuli (noise, media, social contracts). Nature is the most efficient compensation for intellectual stress since it represents the unity of body and mind against the capitalist division of labor. Extensive consumption of nature has traditionally been an element of the reproduction of intellectual workers. (It started with Rousseau, then came the Romantics, Thoreau, the early tourists, Tolstoi, artists' colonies in the Alps, etc.). The ecological movement responds directly to the class interests of the intellectual sector of the proletariat and the struggle against nuclear power plants is a mere extension of this struggle.

### Movement in New England

The history of the Green Mountain Post Films is a good illustration for this process in New England. Its story began in 1967 in Washington, D.C., when Marshall Bloom and Ray Mungo founded Liberation News Service as an essential means of exchanging news in the fast-growing anti-war movement. By 1968, LNS suffered an irreconcilable split between "orthodox Marxist-Leninists" and a "less doctrinaire" faction led by Bloom and Mungo. Mungo and friends decided to leave New York City, then home of LNS, and resettle at a farm in Packers Corner, Vermont; and, soon after, Bloom and his band found a farm in Montague, western Massachusetts, some 15 miles away.

A weekly news service dispatch came out of the Montague barn for a few months, but it trickled off under the pressure of a New England winter. The abrupt switch to farm life temporarily forced media and politics into the background. The two communities were busy struggling to survive. Then, in November 1969, Marshall Bloom killed himself, supposedly due to the isolation. His death served to strengthen the farm-people's resolve to keep working in the media. Over the years the two farms produced a considerable amount of books and articles. After the Vietnam war, political concerns were largely subsumed by the demands of rural self-sufficiency. It takes years to get an organic farm going; fortunately, haying, the maple trees' gift of sap, and authors' fees provided some cash.

Then in December 1973, the Northeast Utilities Company announced plans to build a twin-tower nuclear plant three miles from the farm in Montague. One of the first reactions was Sam Lovejoy, a long-term farm resident, cutting down a 500-foot weather observation tower which was to precede the proposed plant. He then hitched a ride to the Montague police station and handed in a statement on the necessity of civil disobedience in times of environmental emergency. He went on trial and won.

The two farms have provided scores of informal ideologists and leaders of the anti-nuclear movement in the New England area: Harvey Wasserman, Anna Gyorgy and others. They produced several films and also distributed a film on the Why! anti-nuclear movement which had a strong influence on the movement against the nuclear plants in New England, particularly at Seabrook (cf. *New Age, Special Report*, 1978 and Ray Mungo, *Famous Long Ago*).

The crisis after 1973 has intensified also the attacks of capital against the intellectual proletariat which had conquered certain levels of power in the sixties (represented mainly by the high educational budgets and the

expansions of the universities and research institutions) and had been able to defend itself against tight command structures. The counter-attack of capital was mainly oriented toward regaining control over the productivity of the intellectual labor force. By cuts of educational and university budgets (engineered with the "fiscal crisis"), food-price inflation and destruction of the rural retreats (where reproduction is cheap), capital has tried in the last few years to regain control. This process of *devaluation* put the underemployed intellectual proletariat in a tight squeeze.

By 1976, when the first wave of attacks was over, it was clear that the job-perspectives for intellectual workers would be dim for decades and that they could not expect to get out individually or by intensified retraining (*revaluation*). In 1976 the Clamshell Alliance was founded, the first sentence of the founding statement being:

"Recognizing: 1) That the survival of human-kind depends upon preservation of our natural environment." It is obvious that the "survival of mankind" is intimately linked to the survival of this intellectual proletariat, and the preservation of "our" natural environment can be taken literally (Intellectuals have always had the precious talent of presenting their own class interests as those of "humankind" – as though their own class interests were something dirty).

The "choice" of the anti-nuclear issue as terrain of struggle is to be explained not only by the specific history of the farms in New England or other similar developments. For underemployed or temporarily employed workers it is very difficult to organize on the job. The jobs are unstable, the possibilities of mass struggle are minimal (the worker-boss ratio being low or, in the case of self-managed or "alternative" jobs, reaching 1/1), and sabotage is ineffective in the case of intellectual work and in the absence of expensive capital goods. All this pushed the struggle immediately on the level of the "general" circulation of capital, on the level of "society," of "humankind." As it is not possible for them to attack any specific capital from the inside, the struggle has to be launched from the outside.

The anti-nuclear protests of local residents presented such a possibility of intervention from the outside. A unifying factor from outside could intervene in a deadlock situation of conflicting interests of small store-keepers, farmers, workers connected with the nuclear plan, profession petty-bourgeois, etc. The anti-nuclear militants of the "second movement" could keep together this strange class mixture and at the same time use it as "hostage" against an isolation of their own struggle. So it was possible to forge that "mis-alliance" between former urban radicals and rural conservatives. This alliance was, however, never without problems,

and the division between "locals" and anti-nuclear militants remained clear on the level of real actions, with the locals, for example, supporting occupations or demonstrations mainly passively.

The development of this movement was facilitated by the fact that a large number of the New England "subsisters" had had experiences in the anti-war movement, i.e., in mobilization techniques, media work, information finding, legal work, etc. Further, once the movement was started it developed its own dynamic reproductive functions for the militants as it provided social contacts and interesting events for old politicians who began getting bored in the relative isolation of the country life. Additionally, the movement became a source of income and created jobs for intellectual workers (writing and selling articles, books, buttons, T-shirts, making conferences, figuring out "alternative energy sources," etc). In this regard, it was a direct answer to the problem of survival for at least a particular section of "humankind."

### Outside the Movement

Perhaps the class structure of the anti-nuclear movement becomes even more clear when we look at those sectors of the working class who are *not* present in it: factory workers, blacks and urban minority people, atomic workers (with some important exceptions), construction workers and young urban clerical and service workers. All these urban or industrial class-sectors are usually exposed to substantially higher levels of pollution and environmental stress and are, even when living in large cities, not safer in the case of radioactive fallout when a nuclear accident occurs, as the accident at Three Mile Island has demonstrated. *But these sectors have a qualitatively different relationship to capital*, more stable in the case of the factory workers (unions, family, mass organization on the job) or without any assets in the case of the poor (their labor power is not very valuable or is even worthless for capital because little money has been invested in their reproduction). Even more different are the types of reproduction, including all "cultural" differences, straight lifestyle, etc. The indifference of these sectors toward the anti-nuclear movement (or better: issue) is not based on a "lack of education and information" as the anti-nuclear militants often bitterly complain. Even very uneducated class-sectors have always been able to grasp the essential knowledge about their problems, if the knowledge were in their interest and presented possibilities of struggle. There is of course no such thing as a "theoretical class interest:" the uneducated Iranian masses have been able to beat the CIA-trained Shah regime which was backed by the most educated capital

in the world, US capital; scores of poor people have the skills to cheat welfare; workers can deal with their union bureaucrats; etc. Moreover, recent polls show that practically everybody distrusts the energy-lies of the government and the companies. *The problem is not education, but organization, and finding ways of effective and direct struggle.*

So far, the anti-nuclear movement has presented no promising way of acting for the urban working or unemployed people. "Nuclear danger" alone can trigger activity only if there is an immediate material interest involved. It is pointless to be afraid of something if you can't do anything against it . . . (That's why nuclear disarmament movements provoke so little reaction, even with a global horrible catastrophe being possible at any second). *There is no "objective danger" and death is not immediately a political category. Power is.*

### The European Movement

The formation and class composition of the European anti-nuclear movements follow in general the American patterns. The main difference consists in that in Europe the new intellectual, work-refusing working class has not been geographically concentrated in certain regions. European capital has not been able to organize the division of labor, especially between physical and intellectual work, along well-defined geographical lines. The movement started in Germany where the "subsistence intellectuals" had reached relatively high levels of autonomy (the installment of the Social Democratic government in the late 1960s marked the impact of the movement and presented large material concessions to students, intellectuals, etc.) which were then brutally attacked in the crisis (ideologically covered by Red Army Faction, "Baader-Meinhof"-hunting hysteria). The process of alliance of the "first anti-nuclear movement" with the "second movement" was very similar to the one in New England. It represented a "little political miracle," for the "alternative" people were officially stigmatized as "terrorists" and the populations of the nuclear sites were traditionally right-wing.

The lack of geographical division in Europe favored the class-specific expansion of the movement. *Unlike the US, whole sectors of the urban young or unemployed workers joined it, not particularly because of the anti-nuclear issue, but for its quality as a general social movement expressing insubordination, rebellion, the possibility of violent struggle, etc.* As the whole plethora of the "new" or "radical" left quickly filled its ranks, huge demonstrations of dozens of thousands of people like those in Brokdorf, Kaiseraugst, Malville, Kalkar, etc., were possible. In Europe,

everything is geographically and politically “near,” communications are easy and fast, there is a continuity of “demonstration culture,” while the existence of socially “homogenized” political parties (particularly socialist and communist) immediately link all types of issues to the general political power game. This can be seen by the fact that the nuclear issue has been used by different political parties to overthrow the governments. In Sweden, the conservatives used it against the ruling Social Democrats and won; in France, the socialists used it against a “liberal” government; in Switzerland, the anti-nuclear issue was first used by the extreme right, then the extreme left, at last also by the social democrats. *This further proves that the anti-nuclear issue by itself fails to provide a definition of the class-content of the movement.*

## Part II: The Ideology (Self-Definition) of the Nuclear Movement in Relation to Capitalist Planning

We have seen that the anti-nuclear movements always express specific class interests, which are not everywhere the same. The nuclear industry creates contradictions not only between certain sectors of the intellectual proletariat and capital, but also between endangered small owners, petty bourgeois, small industrialists and more advanced capital. The nuclear industry represents for the former classes the destruction of older levels of capitalist development and psychological equilibrium. This explains why the anti-nuclear issue and ecological issue in general have been used in the context of reactionary ideologies. We mention “eco-fascism,” a right-wing ideology which intends to impose austerity, lower wages and longer working hours, old-style family life, etc., while struggling against new technologies. This tendency had some impact in Europe, but obviously not in the US where the Ku Klux Klan supports the construction of nuclear plants.

*One of the characteristics of the ecological and anti-nuclear movement is that the class interest of the people involved in it is never directly expressed in its ideologies.* Anti-nuclear militants seem to be classless angels, coming directly from the heaven of a general “responsibility for humankind” and announcing the destruction of Sodom and Gomorrah by a core meltdown. The main argument for this classless ideology is, of course, that radioactivity affects all classes, that the radioactive waste will be a problem for capitalists as well as workers. This is only partially true, for rich people have more possibilities to avoid radioactive areas and can protect themselves better. But even if radioactivity might kill everybody, it does not eliminate class difference until that moment (and this is

obviously the period we try to deal with).

In reality, the "classless" ideology of the anti-nuclear movement is an outflow of the class situation of its members: as they have no possibility of organization or self-definition on their jobs, they are forced to operate practically and ideologically on the level of the general development of capital. From their point of view, even if capital is seen as the basic relation of society, capital's enemy is taken as "humankind" or "all living creatures." As we read, "Nuclear power is dangerous to all living creatures and to their natural environment. The nuclear industry is designed to concentrate profits and the control of energy resources in the hands of a powerful few, undermining basic principles of human liberty." (*Declaration of Nuclear Resistance* of the Clamshell Alliance, 1 November 1977). This is a pure but useful fiction. The abstraction "humankind" is used to not endanger the alliance with local small owners, professionals, etc. At the same time it is the expression of the class ideology of intellectual workers whose function is to plan for the general development of capital – including the working class – and to sell these plans to us all.

### The Anti-Planners

Confronted with "bad" nuclear capital, this general responsibility above all classes is transformed into the planning of an alternative development. They don't simply reject capitalist development, but rather present an anti-plan: "2) that our energy policy be focused on developing and implementing clean and renewable sources of energy in concert with an efficient system of recycling and conservation." Here again, it is not said *who* would develop and implement "our" energy policy. This statement about alternative planning is completely disconnected from problems of power and class and thus reveals its merely ideological function.

The anti-plan ideology is in fact one of the most visible class ideologies of devalued intellectual workers. Developing anti-plans means nothing less than finding a new function for such intellectuals in a modified capitalist development. The struggle among the anti-planners of "our" future is the struggle about the qualifications of future intellectual workers, for the ability to find alternative futures is exactly the function of intellectual workers (on a "lower" level called management, on a "higher" level, philosophy).

It is clear from the beginning that less valuable labor-power such as factory workers, clerks, housewives, etc., cannot participate in this type of management of the *future*. For them the *present* is more difficult because their relationship with capital is more immediate and irreconcilable. The



anti-plan ideology at the same time keeps away such less valuable workers from the movement, thus keeping the class composition of the movement "clean." A worker who is in permanent struggle with management will never try to participate in it, even if it is "alternative management." This becomes even more evident when we look at some of these anti-plans.

Ralph Nader proposes a model of "sane" capitalism based on competition of small capitals under the quality-control of the State. This would provide scores of easy jobs for quality-controllers like Nader and consorts, but no advantages for workers, only tighter control (as is typical in smaller businesses).

The most frequent anti-planning ideologies are based on the development of solar or other alternative energy sources. Solar energy has been promoted particularly around the job-issue. It is said that the nuclear industry destroys jobs and that solar developments would create lots of new jobs. This argument starts usually as Harvey Wasserman puts it in one of his articles (*New Age, Special Report* 1978): "The conflict lies in the basic difference between a capital-intensive economy and one based on human work." Such a statement is simply false: capitalist intensive economies *are* based on *human work* and require still *more and more intensive human work*. First, the machines, the equipment, etc., of capital intensive industries have to be built ultimately by *human work*. Then, as a glimpse at statistics shows us, non-industrial and service jobs have been expanding rapidly in the last few years "despite" nuclear development. While the rate of unemployment has been stable, overall employment has gone up rapidly. More *human work* than ever is being extracted from workers in the US. It is true: proportionately less people work in manufacture and automated industries in general, especially in the energy sector. But this doesn't mean that capital can or wants to do without human work. It is an optical illusion to see only the automated factory and not the sweatshop on the corner. *The fact is, human work, and therefore surplus value (surplus human labor extracted by capital), is extracted in less capital-intensive branches and appears as the profit of highly capital-intensive sectors.*

One of the instruments of this surplus-value transfer is the hike of energy and food prices. In order to pay *their* bills, the energy companies make *us* work more and more in small shops, as salesmen, typists, clerks, drivers, etc. The capitalist system forms a unity: exploitation in one place can result in profits in another place. This would also certainly be the case in the solar industry. The solar workers would do the shit work and the companies (e.g., steel companies which produce sheet steel) would make

the profits. Wasserman's cry for a "labor-intensive" development means nothing more than offering capital a new source of human work, a new source of exploitation. The problem is not lack of jobs. Nobody cares about jobs, because every job means self-repression, loss of life, repression of one's wishes. The real problem is lack of money, access to power and to the wealth which we have ourselves produced. If jobs are an efficient way to get money, we might accept them as a temporary solution, a tactical compromise with capital. But jobs can never be a solution to the problem of the working class.

Of course, unemployment is also a weapon used by capital against us, because it forces us to choose between misery or accepting the worst jobs at the lowest wages. On the other hand, many people have discovered temporary unemployment as a weapon against capital: you don't get much money, but if you organize with other people (as Harvey Wasserman and his crowd did in New England) you have more time for yourself, can regain some strength and develop your talents. Unemployment is not a question of technology, but a question of power. *As long as we don't have the power, the control over all resources and social wealth, "human work" will always be an attack on us, whether it is planned by Rockefeller or anti-planned by Wasserman.*

The same is true, of course, for socialist and communist models, like the one of the CPUSA, which includes even nuclear energy, but "under democratic control," i.e., managed by the State (whomever that may be). The "State" is only another name for "general capital," especially in the energy sector, and what ultimately we might expect from socialist States can be seen in Russia, China, Vietnam, etc.

Even more radical and "anarchist" anti-plans such as Bookchin's proposals or other similar models, which want to cut back society and economy to small, human, self-sufficient units, without State, capital and money, suffer from the same basic vice: anticipating and planning a future for "others," assuming the functions of intellectual workers, defending one's own value as qualified labor-power, putting the future as a barrier between the different class sectors in struggle. The ecological and anti-plan ideology is an expression of the fears of intellectual workers in confronting less valuable labor power. They are not ready to devalue themselves, to renounce their planning and managing function, to "get down" on the level of immediate, irreconcilable struggle against capitalist exploitation in all its forms. Hiding behind the concept of "responsibility for humankind," for the future, for "constructive alternatives," for all "ifs" and "buts" (will we have enough energy? who will clean the streets?) they

protect their own existence as a distinct sector of the proletariat. This is neither surprising nor vicious – we just have to be aware of it . . .

### Attack Nuclear Capital

However, the anti-nuclear movement need not be a movement of anti-planning. Making the nuclear industry a target of struggle is essential at this point. The nuclear industry represents a synthesis of all major trends of capitalist development. All aspects of the general perspective of capital are concentrated in this industry: high capital intensity (70 plants in the US employ only about 79,000 workers and produce 13 percent of all electricity) extreme discipline and command over the labor force, combination of State and private capital (in research, financing, supervision), internationality, computerization and extension of the “planning horizon” far into the future (nuclear waste). The nuclear industry is able to occupy all free spaces geographically (reactors are independent of local resources), politically (all police-State measures can be justified by radioactive dangers), and in time (even if we “win,” we will have to deal with the nuclear waste; our “utopias” are infested for thousands of years).

Psychologically, nuclear reactors are symbols of permanent self-control and self-repression, representing the psychological character of the 1950s. The controlled explosion, the slow burn-out, corresponds to the process of exploitation of each single worker. Nuclear plants emit bad “vibes” because they are like capital wants us to be. We are not allowed to explode socially – the reactor is not allowed to explode technically. Our control-rods are family-education, responsibility-ideologies (including “alternative”), fear of death – for it we meltdown, we are punished with the “technical” death penalty. The nuclear plant is just another element of this blackmailing with death, together with traffic, machines, etc.

In the 1960s, some of this technical reliability melted down, millions of intellectuals and other workers refused the stress of self-repression. In this respect, nuclear development is felt like a counterattack of capital to create new centers of reliability against the marsh of obscure wishes and desires. It is an attack on the working class because it aims at imposing tighter command and higher productivity on it. The anti-progress, anti-command, anti-concrete-and-steel-ideology within the anti-nuclear movement represents a basis for unity with other class sectors as it is a genuine expression of the class situation of the intellectual proletariat as well as of factory and office workers, etc.

*Slime against concrete/refusal of responsibility and command against capital/life against work/wishes against need – these are elements of an*

*ideology and practice which could destroy the planning/anti-planning dead end.*

### Part III: Strange Victories – The Anti-Nuclear Movement and the Nuclear Industry

The immediate enemy of the anti-nuclear movement is the nuclear industry. This industry is apparently a “single capital” which, however, has financial and technological roots in many other capitals and represents the most “general” single capital so far. In practically all countries, the nuclear industry is tightly linked to the State which has developed and financed its technology through the nuclear weapons industry. This fact alone makes it clear that the struggles around the nuclear cycle, from inside or outside, are immediately concerned with a State/capital and reach the highest levels of class contradiction.

#### The Nuclear Plan

The nuclear industry was planned throughout the 1950s and 1960s as a response to the unreliability of domestic coal miners and oil workers in the Middle East (cf the Suez crisis in 1956). It was conceived as the source for a new capitalist accumulation, a new model of capitalist command, control and territorial organization. The “nuclear worker” was to be the standard for a new class composition: a model of discipline, responsibility and political reliability.

The higher level of discipline was to be achieved by *a militarization of the nuclear cycle*. “Atoms for Peace” was to be a mere extension and toned down version of the terroristic impact of the nuclear weapons industry. In the late 1960s the construction of 1,000 power plants by the year 2000 was planned. This plan meant the full “nuclearization” of US territory and would have been a marvelously powerful but subtle means of social control. The plan envisioned that the production of 30 percent of the energy supply would be nuclear. If this had succeeded, the industry would have been able to bust all the struggles of the coal miners and oil workers. The planned *location* of the plants was also dictated by the need for class control. The plants were sited around the major metropolitan areas, so that the State could impose evacuations or other emergency measures and blackmail the population with radioactive danger in times of “social unrest” (it would not make any difference if the danger were real, for with radioactivity “you don’t feel anything” until *after* the damage is done). The same command functions could have been exerted on an

international level through the control of the uranium cycle. For example, the European nuclear industry depends completely on US and Canadian uranium and to a large extent on US nuclear technology.

The plan suffered one major internal contradiction: *though planned as a profitable single capital, the nuclear industry turned out to be completely unable to function capitalistically*. One problem was the immaturity of nuclear technology itself. The political pressure of the working class did not give capital enough time to resolve all the technological problems ("safety," waste, environmental problems). Another problem was the overextended circulation period of nuclear capital. It takes ten years to plan a plant, four years to build it, another 15 years to completely pay off the investments, by which time it is technologically obsolete. This makes the costs of a nuclear plant virtually incalculable, for in this long period many external influences (inflation, changes in the supply costs, changes in the environment) can intervene. Thus the huge cost overruns.

*The extended circulation-period of nuclear capital is not a mere financial or economic risk, it is also politically dangerous.* It imposes a rigidity on capital which can be "exploited" by the working class's power of surprise. Between the planning was the students' movement, the anti-war movement, a new situation in the Middle East, a general loss of credibility in the ideology of "progress," a breakdown of the family, the crisis after 1973. The anti-nuclear movement itself is both a part of these general developments as well as their expression. Capital has invested deeply in a future it really does not control. In a sector with short profit-return periods, capital can adjust quickly to new situations without losing huge amounts of already invested money – not so in the nuclear industry.

All these working class surprises forced capital to give up the idea of a really profitable nuclear industry. One response was to make energy in general artificially more expensive. This began in earnest in the oil-crisis of 1973. Once oil was made two times more expensive than before, nuclear energy became more competitive. At the same time, the additional oil-profits could be used to finance the nuclear industry which is connected with the oil trusts through the banking system. Further, the oil companies are directly interested in the nuclear industry because they control a large share of uranium mining and can coordinate the price of uranium with that of oil (e.g., between 1973 and the present the delivery price of uranium oxide has gone up from \$7 to more than \$20).

This profit injection into the energy industry as a whole has been paid for by the working class in the form of higher gasoline prices and inflation. The State organizes the inflation of energy prices since it guarantees the

electric companies' profit with money taken from the working class either in the form of taxes or by granting higher utility rates. Further, the State lowers the real cost of nuclear plants because decommissioning costs are not charged, while the liability of the companies is reduced by a law which artificially lowers their insurance costs (the Price-Anderson Act limits liability to a ridiculously low \$560 million).

The nuclear industry is not operating on conventional capitalist cost-principles or, rather, far less so than other industries. It is more like a branch of "State socialism" where the State pays and the industry receives "fake" profits. Its economic function can best be compared to that of the war industries, for it is only under such "para-military" conditions that the nuclear engineering and utility companies survive financially. The flip side of this State/capital relation is that the nuclear industry has become a subtly powerful instrument of State planning in the crisis.

Higher energy prices and the ease of price manipulation afforded by the nuclear industry impose higher basic costs on all capitals. Nuclear prices force them *either* to raise their capital intensity (rationalization, automation) *or*, if they are not able to do this, to raise the rate of exploitation (lower wages, longer hours, faster work rhythms) *or both*. Not only are workers forced to work more, but single capitals are forced by general capital (the State) either to exploit them more effectively or face bankruptcy.

If we compare the nuclear plants with their actual achievements we find them in a very critical situation. Only 72 plants are operating in the US and most of them are operating far below their capacity. In 1978 no new nuclear plants were ordered while almost everyday we read that plants have been cancelled or will be shut down. In March 1979, five plants in the Northeast were shut down by the Nuclear Regulatory Commission because of "earthquake dangers." The Seabrook plant is struggling with serious financial problems. The Three Mile Island plant is lost. In Europe, dozens of plants have been cancelled or delayed. In Austria, a completed plant will not go into operation after a referendum on nuclear development. It will become a silent and ugly monument of the "nuclear age" in that country. If we compare this situation to the original plans, we can speak of a "victory" against the nuclear industry. But whose victory? And is it really a victory?

### Bad Surprises

These victories cannot be due to the anti-nuclear movement alone because the movement had a direct impact only in a few situations (as in

Why, West Germany). For example, the referendum in Austria was supported by the conservative *Volkspartei* against the Social Democrats and was not stated by the anti-nuclear movement. This "victory" occurred, moreover, in a period of open defeat of the movement in Europe.

The nuclear industry puts the blame on "rising costs" and not on the anti-nuclear movement. This is superficially true. But "costs" are only an expression of the social processes that cause them. One very important (if not the most important) element of these "costs" are the nuclear workers themselves, including all types of scientists and the social context in which they move. Nuclear plants were designed for the responsible progress-abiding, intellectual-technical workers of the 1950s. The high capital-intensity and the centralized existence of nuclear capital require stable, socially settled "family men," "militarily disciplined workers, truly "scientific" Stakhanovites of the second half of the 20th century.<sup>4</sup> It is no accident that the race to develop the atomic bomb also produced the first "peaceful" atomic workers. War has always been capital's laboratory for developing new production processes and forming new types of workers.

The '60s and '70s put this "new" worker in crisis. Wives, mothers and lovers no longer produced stability and discipline, the universities didn't produce reliability, while academic unemployment ruined the "pride" of these workers. *As this disillusioned, cynical, unstable intellectual proletariat emerges, the future of such capital-intensive industries like the nuclear industry is endangered.*

Because of its long planning period, the long term future affects the immediate behavior of the nuclear industry more than any other branch of capital. The nuclear industry is in crisis because its future is in crisis: *not its technological future, but the relationship between its technology and labor force, between technology and "humanity."* The last few years have seen a whole wave of nuclear "desertions." Scientists and even members of the NRC went over to the "enemy." Some of these deserters helped make the film *China Syndrome*. In West Germany, the most spectacular case was that of Traube, the director of the national nuclear power plant programme, whose telephone was tapped by the police because he was suspected of having contacts with the Red Army Faction. This accusation could not be proven but Traube was fired and then joined the ecological movement. Recently, Kathy Boylan, whose husband is an employee of the nuclear department of the Long Island Lighting Company, pronounced herself against nuclear power. Asked whether her stand against nuclear power could jeopardize her husband's job, Mrs. Boylan replied, "It might."

The undermined discipline of the nuclear workers imposes high

"costs" on the nuclear industry, i.e., costs for "safety and protection" *against its own employees*. Sabotage or "human error" are in fact main concerns of the NRC. In 1978 the NRC demanded that all plants apply new, tougher safety procedures: more personnel, introduction of the "two man rule" (all employees dealing with vulnerable operations should always be accompanied by another employee to prevent sabotage), installation of TV-supervision and new safety clearances of two-thirds of all employees (which costs \$6,000 per person). A number of companies refused to apply these rules and risked losing their licenses (the deadline was first August 1978 and later extended until February 1979).<sup>5</sup> But these new procedures did not do the job. In fact, the NRC blamed the Three Mile Island accident on "human errors," for the system itself worked fine! Nuclear workers have protested against the "two man rule" and other safety procedures because they consider them a declaration of mistrust. They are right: capital does not trust them. *For capital must not only deal with the question: Who educates the educators? But, most crucially in the nuclear industry, it must pose the question: Who controls the controllers?*<sup>6</sup>

Though no nuclear plant has been shut down due to a wage dispute, nuclear workers have been visibly struggling for more safety for themselves against radioactive dangers. Karen Silkwood has become something of a national martyr because she was murdered in 1974 when she tried to make public information about health dangers in the nuclear processing plant where she worked. In 1976 workers in a nuclear reprocessing plant in La Hague went on strike for six months protesting radioactive contamination at the plant. On February 18, 1979, nuclear workers at the nuclear power plant of Caorso, Italy, went on strike demanding safety guarantees from the company against radioactive dangers. The "leaks" of discipline within the nuclear cycle seem to be enlarging and capital must have strong doubts about the command-creating function of the nuclear industry.

The crisis of command-creation within the plants (or the nuclear cycle in general) is intensified by the crisis of command over the socio-political environment around the plant. Site planning is obviously sensitive to this environment. Thus, in Italy the nuclear programme is relatively modest (11 million people per plant site). This is not surprising in a country with high levels of "mass terrorism" and a general credibility gap between the State and the working class. Capital-intensive industries like nuclear power are too risky there. At the other extreme is Switzerland which has the largest nuclear programme proportional to the population (900,000 people per plant) supplying 25 percent of its electricity.<sup>7</sup> Again this is not



surprising for Switzerland is known for its political and social stability. Instead of increasing control over the site environments, however, the construction of nuclear plants has provided an ideal target for social movements of different origins. Many times, the plants "organized" social insubordination around themselves. The high concentration of capital and "visibility" of this capitalist "fortress of confidence and progress" attracted all types of protest, attacks and threats. For example, in the US, 175 threats or acts of violence against nuclear plants were reported. One of the most spectacular occurred on August 27, 1974, when an incendiary bomb exploded near Pilgrim 1 in Massachusetts while the plant was at one of its rare moments of full power. Nuclear capital could not anticipate this type of reaction which was based on social processes that emerged after the nuclear plants had been put on line. Attacks on the nuclear industry were not only used by the anti-nuclear movement. they were also enmeshed with other political purposes (e.g., struggles for national or regional liberation or for more traditional "party-games"). Thus the anti-nuclear movement is only one of the social movements which forced higher "costs" on the nuclear industry from the outside. These "costs" include: expenses for the military defence of the plants, propaganda and lobbying efforts, additional safety measures, legitimization (safety studies, legal actions). "lost time" and interest charges.

Even the accident at Three Mile Island, the first real-life rehearsal of nuclear command-creation, indicated more symptoms of the decay of command than of its strengthening. Thousands of workers took advantage of the situation and did not show up for work, while the credibility of State and nuclear officials reached only 16 percent in the polls. On the one side, workers who were told not to leave did leave; on the other side, those told to go often did not go. As Woodrow Miller, 63, former mayor of the town of Goldsboro (near the reactor) explained the attitude of the latter type of refusers: "What is the difference if you stay in New York and die from carbon monoxide or I stay in Goldsboro and die from radiation?" Given the fact that the crisis, the higher costs of living, the cut-backs of social services have generally created so many risks for health, many people are perhaps willing to take the additional radioactive risk, stay in an evacuation area and try to make use of the situation in the form of looting or riots. The renewed interest by the government in "civil defence" and mass, police-run evacuations indicates that nuclear plants are not terrorizing and commanding enough for the working class of the 1970s.

Even in this critical situation, with all these "strange victories," the nuclear industry (and even less capital in general) is not yet defeated and

has other choices. State/capital wants us to pay a high price for our unexpected victories and lack of devotion to its plans. For if splitting atoms cannot do the job of controlling our lives, maybe decaying dollars can.

At this moment, capital is obviously testing out two possible futures: a risky, capital intensive nuclear future and a labor-intensive, low-energy version. Neither is very tempting though there will always be, after the priority is set, a combination of both. The choice we are offered is one between cancer and misery. The "loyal opposition" to capital within the anti-nuclear movement seems to accept such a blackmail and is campaigning for the "misery" version: "solar jobs," conservation and "labor-intensive" production. In this sense, they are "educating" the masses, but they face the same problem the dominant capital faces with its cancer-option. *Imposing labor-intensive production on a working class that has been fighting around the refusal of work is as hopeless as the search for responsible high capital-intensity workers.* However, if we are not able to reject the choice between cancer and misery, we will surely get both.

#### Part IV: The Anti-Nuclear Movement in the Cities

One of the major achievements of the anti-nuclear movement and its militants (even its "solar capital" planners) is to have created a social movement practically from zero. In the midst of the general decay of old New Left organizations, anti-nuclear militants took a practical chance that lots of "pure revolutionaries" didn't even perceive. But this world is ungrateful and militant merits are not eternally respected because all movements, if they remain alive, change continuously. The anti-nuclear movement emerged with a class composition linked to a type of highly valued intellectual labor force in rural and suburban regions. Will this be the social and geographic limit of the movement? With the Three Mile Island accident and the energy price attack, capital is saying to this movement: "Okay, folks, you got a point. But what about food-riots in the cities, which side will you be on?"

This may appear exaggerated, but this question expresses the main problem the anti-nuclear movement will necessarily face in urban areas. The urban working class forces a choice on the movement: will it stick to its old class-structure or will it try to extend beyond these limits? Will it be a movement of concerned intellectual workers, dealing with problems of anti-planning, restricting its form of struggle and organization to this class sector or will it deal with more immediate issues such as rate hikes and food prices. The anti-nuclear movement is still pondering over the

risks of enlarging its class composition (which could mean self-devaluation) versus the advantages of conserving its own value as a labor force (for example, at one of the first major occupations of a nuclear plant site after Three Mile Island – the one at Shoreham, New York, on June 3, 1979 – nonviolence training has still been declared compulsory by the organizers).

The anti-nuclear movement has developed a certain rigidity and a fear of uninvited guests. While being harmless in rural areas, this rigidity can become a danger in cities where different class sectors live closely together. “Doing your own thing” in a city can immediately mean doing it against others, for everything is so directly interrelated. The apparently innocent act of installing a windmill on the roof and saving energy is an attack on a neighbor who probably doesn’t have the necessary money for such an installation and is left alone in the struggle against rising electricity bills. One arm of the anti-nuclear movement, “alternative energy,” can become just another hobby for higher income people or people with special educations. Thus, Carter’s energy bill subsidizes the installation of solar heating devices through tax write-offs, but only those who have houses to install them and taxes to write off can take advantage of the deal. In general, such individual or class restricted energy solutions put poorer sectors in an even tighter squeeze and deepen the divisions within the class. If a nuclear shut-down only means solar privileges for some people, capital can divide the possible movement of all energy consumers and we will lose the nuclear battle.

*Not to deal with the problem of energy prices at the urban community level means to automatically play the game of capitalist class division, consciously or not.* All types of symbolic or legal activities, like “making the link with the atomic bomb” (can you practically attack an atomic bomb by “attacking” the Pentagon?) divert from possible activities in the community. If we are not able to deal with the local electric company, how can we deal with the Pentagon? Why should we go to Washington if we have never been to the corner utility office?

These questions concerning the movement’s direction must be asked now, for the anti-nuclear movement has a real chance to play a role as a catalyst for struggles in a very critical situation in the cities. The Harrisburg accident has legitimated this movement on a mass level and has “educated” people about the lies of government and the nuclear industry. Being anti-nuclear means to be against capital, against the energy squeeze, against the “Choice” of cancer or misery. The anti-nuclear issue is a possibility of autonomous organization outside of all types of

compromised party, union and ethnic organizations, and open field of creativity for all types of people. The characteristics of the "rural" anti-nuclear movement are partly an obstacle for such a function. The urban anti-nuclear movement has to develop its own ways of organizing, making decisions and acting. It must insist on its own rhythms and cannot just be an appendix of the established organizations.

April, 1979

### Notes

This is an edited version of the original text. For the complete version, contact Midnight Notes.

<sup>1</sup> Why! in Germany was a Christian Democrat (conservative) stronghold, the political attitudes could be described as "law and order," "defense of private property," "anti-communist." Nevertheless, it became the center of a very militant activism of local people against the planned nuclear reactor and against the Christian Democrat government.

<sup>2</sup> In Why!, the quality of the wine would have declined due to climatic changes; the value of the real estate would have gone down; milk production would become problematic, etc.

<sup>3</sup> Similar "factors" emerged on a lesser scale in other places, including the Denver-Aspen area of Colorado; around Chapel Hill, North Carolina; Madison, Wisconsin; etc; in sum, in centers of "alternativism" which co-exist with centers of the education industry.

<sup>4</sup> According to G. Daneker and R. Grossman, *Jobs and Energy* (Washington, D.C., 1977) p.15, the ratio of professional and technical workers in atomic plants is 33 percent of the total plant employment; in manufacturing this ratio is 10.2 percent while in mining it is 12.6 percent, *Handbook of Labor Statistics 1976* (Washington, D.C., 1976).

<sup>5</sup> Interview with R. Jungk, *Tages Anzeiger*, March 6, 1979.

<sup>6</sup> The typical nuclear plant employs about 733 persons a year according to Ron Languet, *Nuclear Power Plants: The More They Build, The More You Pay* (New York, 1976). The average cost per plant completed in 1976 is about \$2 billion. Thus the average investment a worker handles in a year is \$2.7 million. The investment per worker per year in petroleum is \$150,000 while in textiles it is \$18,600. *Statistical Abstract of the US 1978* (Washington, D.C., 1979), p. 567. Thus the nuclear worker has to be 16 times more reliable than the petroleum worker and 145 times more disciplined than a textile worker.

<sup>7</sup> Calculated from the *Statistical Abstract*

## THE WORK/ENERGY CRISIS AND THE APOCALYPSE

*George Caffentzis*

THE LITANY OF NATURAL STUFFS — PETROLEUM, NATURAL GAS, URANIUM, COAL, wood, water, sunlight — apprehension about their limits, joy in their abundance, skepticism about their benefits, pass for the bulk of “analyses” of the “energy crisis” that “we” face. Whereas in the 1950s and 1960s Nature was “under control” and the robots (e.g., Hal in 2001) were rebelling, now it appears that Mother Nature is turning a new face. Instead of the obedient, invisible and infinitely malleable material of social development, the terrestrial abode seems stingy and treacherously seductive. For the energy crisis is usually traced to two problems:

- (a) the “limited” or “finite” amount of fossil and uranium fuels in the earth;
- (b) the increasingly “surprising” discovery of interactions between the use of these fuels and their biological and social effects.

Although the analysts place different emphases on these two “problems,” their “solutions” usually address both. Indeed, the “great energy debate” (at least what passes for it) is a confrontation between the anti-limitationists, who are anxious about the rapidly approaching abyss of zero-oil-coal-natural gas-uranium and are ready to introduce any “way out,” however untried, and the collective interactionists, who argue that the “balance” or “fabric” of Nature is so intricate and fragile (to mix metaphors) that any of the schemes of the anti-limitationists would drive Mother Nature into a schizophrenic breakdown.

From this debate, one would presume that these are momentous times.

They are, but not in the way that is being implied. On the one side, the anti-limitationists cringe in terror at the prospect of a "day the earth stood still" repeated so often that "civilization" (sometimes with the proviso "as we know it") collapses into an age of social anarchy – starvation, rape, murder and cannibalism ("What's new?" we might ask). On the other side, stand the equally apocalyptic interactionists envisioning huge floods let loose by the CO<sub>2</sub> "hot house" effect, or the end of all biological life due to the depletion of the ozone layer causing a tidal wave of high-energy radiation to penetrate the chromosome linkages and break down the proteins, or a festering mutant jungle released by the radioactive wastes of nuclear reactors. Conclusion: either social anarchy or natural anarchy. "Take your choice," we're told. But must we choose? Are these our alternatives?

This debate, with its apocalyptic overtones, indicates a crucial crisis for capital and its attempt to carry through a major reorganization in the accumulation process to overcome it. The Apocalypse is no accident. Whenever the ongoing model of exploitation becomes untenable, capital has intimations of mortality *qua* the world's end. Every period of capitalist development has had its apocalypses. Here I'm not referring to the micro-apocalypse of death: everybody dies, and even if everybody dies at the same time (I mean everybody), what's the problem? The earth becomes a cleared tape and why should the angels grieve?

I am talking about those functional apocalypses that mark every major change in capitalist development and thought. For the Apocalypse approached at other times in the history of capital, when (as in the last decade) the class struggle reached a level that jeopardized capital's command.

In the seventeenth century, a pervasive premonition of apocalypse was voiced by the "philosophers," "astronomers" and "anatomists" (i.e., capital's planners) in the face of the revolutionary upheavals of the newly-forming proletariat that was being introduced to the capitalist discipline of work. In this phase, questions of inertia, time and order were paramount. The control mechanisms were manageable only by external forces. Capital's concern with its apocalyptic potentialities can be seen reflected in Newton's theory of the solar system: the planets revolve around the sun, but their revolutions continually deviate from the equilibrium path because of the random, irregular gravitational impulses they communicate to each other. Ptolemy's crystal suddenly looked like a mob that with *this-and-that*, slowly, imperceptibly, became unruly, though it was nominally dominated by the gravitational field of the sun. The deviations

accumulated to a point where some planets would spin off into the stellar depths while the others would dive into the sun's inferno. Hence Newton's argument for the necessity of God's existence, whose function in the universe was to prevent this catastrophe by periodically returning the planets to their equilibrium orbits via a true miracle. The solar system was the "Big Watch" and God was not only the watchmaker but also the watch repairer. Otherwise the mechanism, through its blind obedience to the laws of inertia, would snap and break, however finely wrought. God must intervene to create orderly time from chaotic mixtures of inertia and attraction. Given the universal identification of God with the state in the seventeenth century, it is not hard to decipher Newton's prescription for the state policy *visa vis* the apocalypse portended by its "wandering stars," the proletariat. (A prescription Newton embodied in his job as the inquisitor and torturer of counterfeiters for the Royal Mint.)

In the Newtonian period capital's main task is the regularization of time as a precondition for lengthening the working day. Medieval production time was circular and the pacing of work and "rest" fixed by "eternal" seasonal and diurnal dichotomies. Summer and days could not be stretched, winter and nights could not be shrunk at will. Newton and his fellow "century of genius" planners had to create a non-terrestrial work-time that would be the same in winter and summer, in the night as in the day, on earth as it is in heaven. Without this transformation of time, lengthening the working day would be impossible to imagine, much less impose "with fire and blood."

By contrast, the "revolutions" and organizational forms thrown up by the working class in the first half of the nineteenth century spelled the end of a period where profits could be created by stretching the working day to its limit. Capital had to "revolutionize" the technical and social conditions of production to turn the proletarian revolt against work into an intensively productive working day. Absolute time was no more of the essence, productive intensity was. Capital could no more complain that the working class was inert, unmotivated or tending to rest. The class was on the move, scheming, energetic, volatile. If the work-house prison sealed from "the elements" was the first laboratory of work, the working class was clearly blowing out the sides of the container and destroying the experiment. The problem was no more how to confine workers *as long as possible*, but how to transform their energy and revolutionary *heat* into work. Not surprisingly, thermodynamics, "the study of energy, primarily with regard to heat and work," becomes *the* science after 1848.

Thermodynamics begins with Sadi Carnot's attempt to determine the

possibilities and limits of creating productive work out of heat and energy when in confining it, it explodes. His leading idea is that if a mass is exploding, you should give it a way out so organized that it will push a piston and thus do work for you. Carnot's analysis focused upon an idealized version of Manchester's "demonic" steam engine, and attempted to determine under what conditions the expansion/compression cycle of a gas would give a maximum amount of work. Carnot's cycle thus became a representation of the cycle of class struggle that was taking shape in the nineteenth century, putting the working class' wage demand at the center of the "business cycle."

Carnot's laws of thermodynamics grew out of his memoir and led, as Ariadne's threads, out of the "crisis labyrinth." For physics is not only "about" Nature and applied "just" to technology, its essential function is to provide models of capitalist work. The ultimate nature for capital is human nature, while the crucial element of technology is work. The First Law of Thermodynamics, for example, did not simply recognize that though energy has many forms (not just "mechanical"), each can be transformed into the other without loss. Its consequences impinged on capital's conception of labor power. A more general view of energy was imperative if the technical and social conditions of production were to be "revolutionized," for the old mode of production assumed a fixed limit on the forms of energy that could generate work. This new Law taught capital a generality and flexibility in its productive arrangements that it did not even experiment with in the First Industrial Revolution.

Like Darwin's discovery, Gustav Mayer's first enunciation of the law of the conservation of energy occurred in a typical nineteenth century way: on an imperial voyage to the tropics.

A sailor fell ill of some lung disease. Mayer bled him, observed that venous blood was a brighter red in the tropics, much closer to arterial, and concluded that metabolism drew less oxygen from the blood in hot climates because maintenance of body temperature required less heat.<sup>1</sup>

In Mayer's perspective, the sailor's body was the mediator of manifold forms of force that are "indestructible, variable, imponderable." Though the forms of force and energy would change their transformations, they conserved the basic quantity of production, energy. The concept of energy is thus defined on such a level of generality and abstractness that an enterprising spirit would see the possibility of producing work from novel, untoward sources.

While the infinite multiplicity of energetic forms inspired a tremendous optimism in capital's search for new work forces, thermodynamics



laces this high with arsenic: the Second Law. An ominous version goes like this: a perpetual motion machine completely transforming the energy of the surroundings into work without loss *is an impossibility*. The Second Law, however, has even darker consequences than deflating capital's dream of getting work for free (having workers "living on air"). It states that in any work-energy process less and less energy becomes available for work. *Entropy* (the measure of work inavailability) *increases*. Clausius put it in cosmic form: "the energy of the universe is constant; the entropy of the universe increases to a maximum."<sup>2</sup>

The Second Law announced the apocalypse characteristic of a productivity-craving capital: *heat death*. Each cycle of work increases the unavailability of energy for work. As the efficiency of the heat engine depends on the distance between heat input and heat output, the Second Law predicts a slow, downhill leveling of heat-energy differences, (on a cosmological scale) until there are no more *flows* of energy for work. "The world is living on its capital" and all around is the whisper of the impending silence.

This image of an undifferentiated, chaotic world had a two-fold echo: in the rhetoricians of mass culture like Henry Adams ("the so called modern world can pervert and degrade the concepts of art and feeling, and that our only chance is to accept the limited number of survivors – the one in a thousand born artists and poets – and to intensify the energy of feeling within that radiant center"), and in the pragmatic thought of Frederick Taylor.<sup>3</sup> The Henry Adams' mourned over the loss of accumulated values that, at best, could only be "saved" in the leveling of social and cultural differences announced by "energy's dissipation" into a heat death apocalypse. Taylor instead saw in this apocalypse the essence of a project: productivity is efficiency. His answer to the second law (if not absolutely, relatively) is not "conservative," it is a "revolutionary" attempt to create a far more efficient organization of work and to perfect the intermeshing of worker with environment. Taylor attempted in practice what Carnot did in theory: test the limits of an efficient transformation of energy into work. In a typical American fashion, he turned to the man-machine. Once again, it seemed that the apocalypse could be averted if Action was taken. This time, however, it was not the action of God *qua* super-state, but capital's planning in its own self-conscious, scientific analysis: scientific management.

Newton's apocalypse and Clausius' apocalypse do not simply have analogical connections with capital's crisis in their respective periods. The theories from which their apocalypses derive from do not merely have

contingent or ideological relations with the contemporary, on-going organization of work. *Capitalist crises stem from refusal of work*. Thus, in times of crisis, new analyses of work, new schemes for overcoming resistances to it become imperative. Physics, in this context, does not have a separate content, but provides definite analyses of work and new plans for its organization. Its "models" may appear abstract, but they are directly related to the labor process.

Newton's parable of the transformation of working class inertia into work and his appeal to God *qua* State to restore equilibrium under centripetal and centrifugal pressures is a general methodological scheme. The relation of thermodynamics to work is more explicit. The *work* of thermodynamics and the *work* of capital are no mere homonyms. Capital faces working class resistance to work in continuously new ways as this resistance changes in its power and organization (though it may seem "impotent" and "chaotic"). Capital is concerned with physical work because the labor-process is the transformation of labor-power (energy, inertia) into labor (work). This is the "eternal necessity" of capital; and physics provides models for overcoming "resistances" and measuring-rods of levels of crisis. The Apocalypse is an extreme measure of the failure of these models. Capital's problem in the nineteenth century changes from that of Newton's time in the same way the resistance of inert machines shifts into the chaotic energy of random micro-particles. Essentially, however, it remains the same: what is the possibility, limit and method of creating useful work ("order") out of the almost natural evasion, subversion, resistance and covertness of the working class.

Capital's despair is always hypothetical, yet always virtually existent. This is the multiple function of the apocalypse. It serves not only as a parameter for the on-going process of work organization and experimentation, it serves also as a reminder and a threat: a reminder, because capital's control is contingent and revolutionary potentialities exist at each instant; a threat, because it attempts to project the destruction of capital as the destruction of the universe (as in the heat death). As long as the "elements" of the working class are attached to the totality, the apocalypse is the extreme point where opposites meet in avoidance. It is capital's threat, if we go too far, to take us all down with it. If we annoy God too much, if we agitate too much, if we become too unavailable for work, then the "mutual destruction of the classes" is used as a club to bring us back into line. But must the molecule fear if the engine dies?

What of the "energy crisis" and its apocalypses? The first thing to note is that the term "energy crisis" is a misnomer. Energy is conserved and

quantitatively immense, there can be no lack of it. The true cause of capital's crisis in the last decade is work, or more precisely, *the struggle against it*. The proper name for the crisis then is the "work crisis" or, better, the "*work/energy crisis*." For the problem capital faces is not the quantity of work *per se*, but the ratio of that work to the energy (or labor power) that creates it. Capital is not just a product of work. Capital is the process of work-creation, i.e., the condition for transforming energy into work. Energy has within it a restless activity, an unpredictable microscopic elusiveness, antagonistic, indifferent as well as productive of the work capital so desperately needs. Though the eternal cycle of capitalist reality is the transformation of energies into work, its problem is that unless certain quantitative levels are reached, the relationship expressed in the work/energy ratio collapses. If entropy increases, if the availability of the working class for work decreases, then the apocalypse threatens.

The *forms* the apocalypse takes in this crisis are crucial. They signal both a warning and a specific threat, just as the heat death apocalypse inspired Taylorism and the Newtonian centripetal/centrifugal catastrophes dictated certain features of mercantilist state intervention. What do the anti-limitationists and interactionists allow for decoding the present crisis? The first step in the decoding must lie with "nature." It *appears* that Nature and its stuffs are an independent pole, given and distinct from capital – its "raw" material, as it were. From the exhaustion curves of oil or natural gas it appears that a black hole is absolutely devouring them. But for capital, Nature *qua* Nature is non-existent. *Nature too is a commodity*. You never have oil, or natural gas, or even photons that do not take a commodity form. Their commodity reality is what is crucial. Even when you talk of the Earth or the solar system you cannot speak of a non-capitalist reality. The energy problem is unequivocally a problem of capital and not of "nature" or "Nature and Man." *Our* problem is to see that capital's difficulties in planning and accumulating spring from its struggle against the refusal of work (the multi-dimensional subversion of the orderly transformation of energy into work). Thus, according to our decoding, through the noise of the apocalypse, we must see in the oil caverns, in the wisps of natural gas curling in subterranean abysses, something more familiar: the class struggle.

### A. One's Apocalypse is Another's Utopia

To decode the messages of the apocalypse we should see that both the anti-limitationists and the interactionists demand a complete change in the mode of production. They are "revolutionaries" because they fear

something in the present mode that disintegrates capital's touch: a demand, an activity and a refusal that has not been encompassed.

The anti-limitationists focus on the "need" to end the oil-auto-assembly line economy of the post-war era. Taking "the father of the H-bomb," Edward Teller's "Energy – A Plan for Action"<sup>4</sup> as indicative of their position, we see that by the beginning of the next century they envision a completely different world of production compared with the 1970s. Consider some proportions. In 1973 electricity production demanded 25 percent of the total energy of the US while transportation (excluding auto production) demanded 25 percent. There was a rough balance between these two sectors in the last decade.

Teller, on the contrary, envisions a radically new system where electricity would demand 50 percent of the total energy, with transportation reduced to 11 percent. (The "raw material" would come from a vast increase in Western coal strip mines and the use of nuclear reactors.) This would involve a complete reorganization of production and reproduction, though the number of workers necessary to supply the fuel and run the power plants would undergo relatively minor increases. Teller argues not only for a substantial increase in "energy" consumption, in line with the historical trend, but for a radical shift in the structure of work. What he has in mind is revealed by his "Manpower Requirements":

No matter what popular opinion asks us to believe, technology will be crucial for human survival. Contrary to much of our current thinking, technology and its development is not antithetical to human values. Indeed, quite the opposite is true. Tool-making and the social organization it implies are very deeply ingrained in our natures. This is, in fact, the primary attribute that distinguishes man from other animals. We must continue to adapt our technology, which is, in essence, our ability to shape nature more effectively in order to face the problems that this human race faces today. It is for this reason that the development and expansion of technical education is so important. It is only through the possession of high skills and the development of educational systems for the acquisition of these skills that human prosperity can be insured.

Teller envisions a new "New Atlantis" with a priesthood of highly "skilled" scientist-technicians surrounded by an army of "craftsmen" who monitor, develop, and control the automated production processes with computer networks. This is a sample of how his vision would work:

Computers have been introduced in central control stations to control interties for the purpose of optimizing the use of energy by drawing at any time on the cheapest available source of electricity. These computers

are also beginning to be used to store and display data about the state of the major components of the generating plants and transmission lines. This will help the dispatcher to make the right decision, for instance, by accepting a local and temporary brownout, or even blackout, rather than permitting an overstrained system to breakdown.

We have here a centralized neural society where the work process is integrated at the speed of light in reverberating feed-back circuits modulated to prevent total breakdown. Capital finally finds its etymology. Teller spells the end of the ass-kicking truckers' songs, the lyric of the stoned highway at 3 a.m.; everything is concentrated now, controlled in the wires of an air-conditioned brain. For the internal combustion engine, after all, has been an enormous source of "decentralization" of desires that cannot be tolerated, for it seems to lead to catastrophe.

Teller's apocalypse flashes the desolation of an oil-starved assembly line economy, his utopia is an electronic techno-nuclear model of capital allowing for a new leap in accumulation. Yet one's apocalypse is another's utopia. We see this when we turn to the interactionists, who argue that any step down Teller's path leads to human annihilation. The Odums, an ecologist and a social worker, serve as a precise counter-pole to Teller for they are extremists even among interactionists.<sup>5</sup> They agree with Teller that the assembly line economy is over, but argue that the future holds no technological solution to declining "energy." They dismiss both the solar energy enthusiasts and the fusion freaks. In their view, "various schemes for harnessing solar energy turn out to be installations based mainly on fossil fuels, with their main energy flows not really supported by the sun." Their argument against the possibility of fusion power is certainly original: "Fusion could be disastrous to humanity either if it were so rich that it gave too much energy, or if it took all our capital and gave us no net energy." If it failed and all the energy eggs were in the fusion basket, disaster would follow; but if it were successful it would release such an intense energy flow that too much energy would be required "to maintain control as it is diluted to the intensity of the human system." The very price of success would guarantee disaster.

Thus "we" can neither remain with the present mode of production based upon dwindling reserves, nor can the path of "technological leap" save the system. They propose a new mode of production, a "steady-state and low-energy" economy, bringing the human race into a safe equilibrium with Nature. The price for survival, however, is not only the disco beat:

To become adapted to the steady state, people will have to give up their

restlessness and their insistence on the large, the new and the different. But the young people who tried to form a low-energy subculture to avoid the excesses of the high-energy growth period will also have to change. More work will be expected from each individual in the low-energy society because there will be fewer machines.

Examples of the Odum's steady-state utopia are rain forests, coral reefs and the "uniformly cold bottom of the sea (near freezing)," as well as pre-industrial India agricultural villages. The common element in such systems is "a great diversity; intimate, highly organized symbiotic relationships; organisms with complex behavior programs by which they serve each other; well timed processing of mineral cycles that do not lose critical materials; and highly productive conversions of inflowing energy."

"The Octopus' Garden in the Shade" becomes the solution to the energy crisis. Here are some features of the steady-state economy that more precisely describe the Odum's vision:

- Growth stimulating industries are eliminated.
- Less emphasis on transportation.
- Balanced governmental budgets.
- Miniaturization of technology to use less energy.
- Decrease in public and private choices and experiments.
- Urban construction will be replaced by separate and smaller houses.
- Farms use more land, less fuel and more hand labor.
- Properties of high concentration of energy will decrease: crime, accidents, law enforcement, noise, central services, taxes.

No more cities, no more travel, no more factories, no more power plants and *presumably* no state. Just the quiet labor-intensive life on Jim Jones' farm (after they've seen Paree?). The necessary restructuring of employment to realize this utopia is obvious. Unemployment in the "growth and luxury industries" will "shift people to agriculture" with wages being steadily cut and unions taking on the role of employment transformers.

It all sounds so wholesome, a world apart from the nuclear-computer-philosopher-kings of Teller! Spots on apples! Birds and Bees! Nature's watchful eye assures a fair day's work for a fair day's pay, instead of Teller's electronic-eyed cyclops monitoring our neural hook-ups tottering on the edge of breakdown. However, there is a coldness here, for all the coziness, reminiscent of the H-bomb's daddy; an anger, a fear that Teller and the Odum's share. They offer opposite revolutions of production,

apocalypses and utopias, but they agree on one thing: the present state of capital has had it, not only because it has lost its "energy" but because there is too much "chaos," uncontrolled behavior, too many demands and not enough work.

This commonality emerges sharply in what appear as marginal remarks upon the "youth" of the 1960s and 1970s. Both anti-limitationists and interactionists agree: they are lazy! So Teller complains of "an anti-scientific trend among young people," while the Odum's (in a passage quoted above) clearly expect the fuck-off young rebels to get down to work. Their deepest commonality however is that, like the apocalypticists of the past, they see their problem in Nature. On the one side the raw limit of energetic stuffs, and on the other side the "ecological" catastrophe induced by industrial development. They postulate a limit either on the natural "input" (fuel) or an "output" onto nature (pollution). But once again we cannot read their fears and solutions straight, for in their text Nature is identified with *Capital pure and simple*. They never declare the obvious: *capital is a relation of struggle*. Once this translation is made, their sybilline visions can be deciphered and their ominous somberness dispelled. *Their* limits are not *ours*.

### B. Decoding the Apocalypse

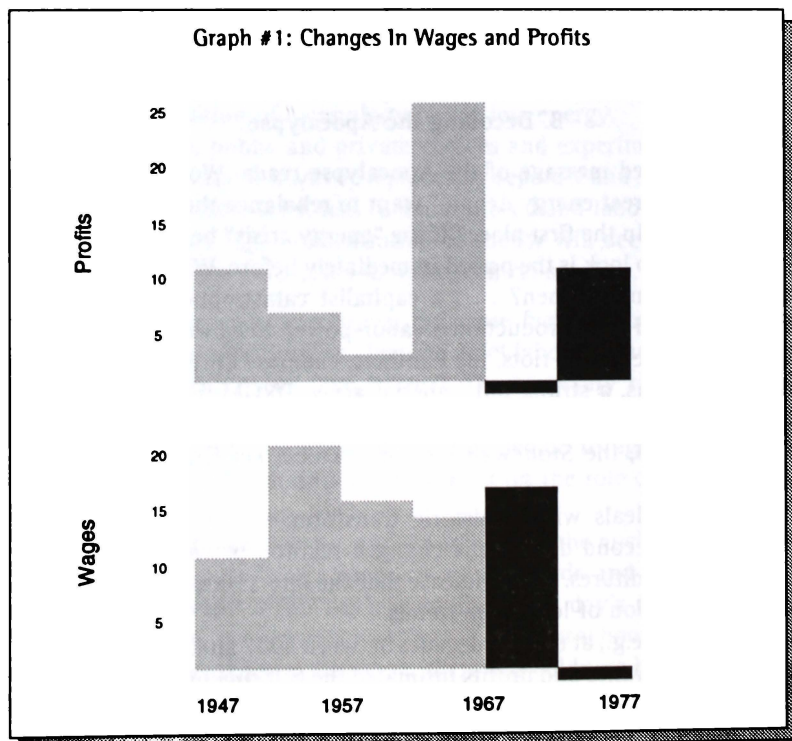
The decoded message of the Apocalypse reads: Work/Energy. Both sides of the "great energy debate" want to rebalance the ratio, but what unbalanced it in the first place? If the "energy crisis" began in 1973, the logical place to look is the period immediately before. What was happening to work/energy then? . . . a capitalist catastrophe in commodity production and the reproduction of labor-power. Need we take out the old film strips? The ghetto riots, the Panthers, campus "unrest," SDS and the Weatherpersons, a strung out imperial army, DRUM in Detroit and the West Virginia wildcats, the welfare office sit-ins, the shooting of Andy Warhol, SCUM, the Stonewall blowout, Attica. Let Graphs #1 and #2 suffice (over).

The first deals with a historic transformation in the wage/profit relation, the second depicts the changed relation between defense and "social" expenditures. Both indicate that the late 1960s and early 1970s saw the inversion of long term trends.

If we look, e.g., at the two decades between 1947 and 1967 we see that in this period wages and profits intimated the fulfillment of an American Capitalist Dream: the class struggle can be bypassed, wages and profits can grow together, perhaps not at the same rate, but in a long-term growth

equilibrium path. The Keynesian strategy of matching real wage increases with productivity increments seemed to succeed. To each his own, and thou wilt be satisfied. 1967 through 1972 was the shocker: for the first considerable period there was a decline in profits. This decline appeared at the cost of increased wages. The bets were off. Once again wages seemed antagonistic to profits as in the bad old days of Ricardo and Marx (lately exhumed by Sraffa). This period marked the end of the "social peace" worked out with the return of the vets from Europe and the Pacific into the plants. It was not, however, a period of wage "explosion" (as it could be characterized in Germany, Italy and France). Rather, it involved mathematical inversion and the return to the zero-sum game of wage negotiation that seemed transcended by capital's game-theorists during World War II and immediately after.

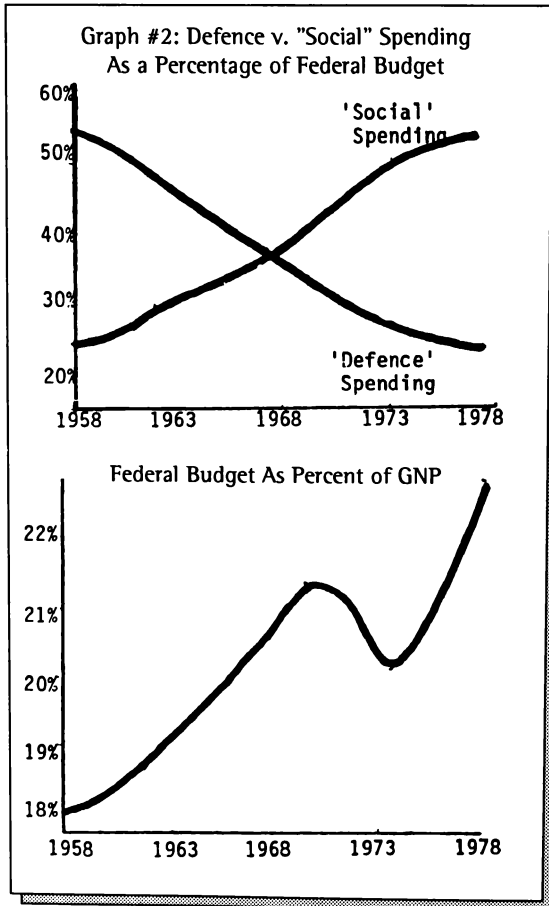
Graph #2 deals with the state's function as the general guarantor of the average rate of profit. This requires that the state oversee the reproduction of the working class and provide for proportionate revenues.





The bottom graph indicates the quantitative increase in the state's "share" of the total social value. It is not surprising that it should increase during the Vietnam war. What is surprising is that at the very moment the war was ongoing, the proportion of "defense" spending dropped dramatically.

"War" and "defense" are an essential, though unrecognized, part of the reproduction of labor power, which can dictate the death of millions of workers. Auschwitz, Dachau, Belsen, were extermination factories whose product – the suffocation and cremation of millions of bodies – was an essential moment in Nazi capital's "labor policy." The reproduction of labor power should not be identified as the reproduction of "human bodies" and "beings." Moreover, *"social welfare" spending by the state can*



*be defense spending.* Indeed, this second aspect was apparent in the late 1960s. Another war was being fought white-hot in the streets of the USA that needed immediate attention. Hence the precipitate increase in "social welfare" expenditure, i.e., "transfer" payments (but what is not a transfer payment in this system?) to deal with women, blacks, youth, who were increasingly refusing the way they were being reproduced. This chart indicates that whether you call it "war" or "welfare," the process of ensuring a population accepting the large-scale wages, profits and productivity relations as well as the micro-relations of love, job, discipline and quiet dying was in crisis. Not only was the work/energy ratio immediately in trouble, it was in more serious trouble over the long run.

Trouble, however, inspires thought, and capital's thinkers turned with new apprehension to the work/energy ratio. A ratio is an expression of a two-sided relation and can be looked upon from either side. From capital's point of view, the work/energy ratio is a more generalized form of the exploitation (or profit) rate. The crisis appears through these lenses as a decade-long, from the mid-60s to the mid-70s, plunge of profit rates. What were the causes of this decline? From the humblest industry gab and gripe sheets to the mathematical stratosphere of capital's computer self-consciousness the answer comes in reverberations: taxes and timidity.

The state is taxing "us" to death while "we" all too often take the "safe and secure path" that guarantees a small profit (but slow "growth") instead of attempting risky, long-term ventures that *really* pay-off. The statistics showed this. Taxation on profits (calculated on "current production" profits) rose from 40 percent in 1965 to 60 percent in 1974. At the same time, the risk of investment fell. If we take as the measure of "risk" the interest rate on debt and equity that corporations must pay to raise financial capital, it is clear that capital collectively became chicken. The interest rate decreased from 8 percent in 1966 to 4 percent in 1972-73. Capital's "claims" to its share of income were decreasing while what was claimed had to be increasingly given over to the state. US capital appeared to be catching the "British disease."

W.D. Nordhaus, in his celebrated article "The Falling Share of Profits," appeals to Keynes' subjective theory of investment to explain why the interest on investment faced such a decline.<sup>6</sup> According to Keynes, the capitalists must overcome their "ignorance of the future" through calculation of "mathematical expectations," second-, third- (and even higher) order judgements on the "average opinion" of other capitalists in the investment market, and finally of "animal spirits," i.e., capital's "spontaneous urge to action rather than inaction." In agreement with this

Keynesian existentialism, Nordhaus claims that the fall in profits was due to an extraordinary period of calm in capital's heart and mind:

The answer seems to me to lie in the general dissipation of the fear of a new Great Depression. For many years after the Crash, investors justifiably worried about a repetition of those events. Even as late as March 1955 when the fear might have reasonably faded, the statement by Prof. Galbraith that the Great Crash could repeat itself was sufficient to send the market into a temporary panic – or so he claims. Since that time, however, the memory of the bad old days has dimmed, and this freedom from fear may well provide a rationale for the post-war movement in the cost of capital.

Presumably, in the different psychic “climate” prevailing in the post-WWII era, investors became more confident in the future, had a new sense of guaranteed horizons, the risk factor seemed reduced. Thus, (according to this theory of profits) the expected returns on investment fell. For if risk is high, the investor demands high profits, if the risk is low, s/he will settle for lower profits. What had brought about this freedom from fear, what psycho-analytical therapy had the capitalist mind undergone? Nordhaus does not explain, but to any therapist this much should be obvious: the healer must be paid his/her dues. In this case, the healer of capital's long term fears was the state and the “dues,” taxes. This is why the major structural transformation of the GNP was in the share of the state. The Federal budget increased from 10 percent of GNP in 1940 to an average of 20 percent in the period between 1960 and the present. In other words, by investing in the reproduction of labor power the state exorcised the trauma of the Depression (and its potentially revolutionary consequences), and the increased tax on corporate profits was its fee. Every step capital takes in feeling more secure leads to a loss of profit.

But why should capital fear, why is investment risky, and the future so obscure? Why, indeed, must capital *have* “animal spirits” in the first place? Is this a metaphysical truth? Not really, because there are risks of *different* sorts. Some are dealt with in an almost mathematical manner, e.g., in fair toss gambling or in predicting the weather. You calculate future probabilities from past data, lay down your money and wait for the outcome. Such risks are not what Keynes is talking about. There are also strategy-game risks, those you take when you depend upon (or reply to) the actions of another player in a game where *all the players agree to and are governed by the same rules*. Here you cannot simply go upon past behavior: any game with a rich enough set of rules and positions can present completely novel situations and this forces you to speculate on the

strategy of your opponent, to read out his likely move. This involves a risk, but the risk is encompassed in the network of rules that bind you with your opponents and allies (who may be continually turning into each other). This risk, typical of the poker game, is also calculable, as Von Neumann showed. There is however a final risk that is not dependent upon mathematical expectations nor upon considerations of strategy, because your opponents are neither predictable nor in agreement about the rules. Here, you have no clear basis for judging their future behavior in response to your moves. This is a totally new kind of risk that requires "animal spirits," a "spontaneous optimism," an "urge to action" or, perhaps, a "will to power." This is the class struggle.

Keynes worried about capital's "state of confidence" during the Depression *not* because it involved a downturn in the business cycle, however steep. Such dips in capital's life are to be expected and capitalized upon. What concerned Keynes was the altogether novel "sixth sense" capitalists had to develop in their investment decisions after the revolutionary wave that followed the First World War. This involved shifting attention from risks "outside" (market fluctuations, weather, mineral discoveries, etc.) to risks "inside" (working class attitudes, training, work habits) the process of social production. The state had to intervene in Keynes' prescription because of the increasing realization that the working class was not predictable nor "part of the game," but powerful enough to rip up the rules. The mixture of taxes and timidity are a direct consequence of Keynes' recommendations.

Since the New Deal, the state by careful use of collective bargaining, nuclear terror, FHA loans, had increasingly reduced the risks of investment. Hence the reduced interest on capital, for cooling capital's anxiety inevitably reduced the pay-off of its projects. The transformation of the composition of the federal budget from "defense" to "welfare" in the 1960s indicated, however, that not only would the State's "taking care" have an increased cost, but that the direction and nature of working class insubordination was changing in new, unpredictable ways. The period between 1967 and 1972 showed that the cost of calmness was increasing to a point where the therapy was ruining the patient. Freud never wrote that therapy could create the anxiety it was reducing. While the interest on capital followed the historical post-WWII trend, capital began to confront the fact that this trend meant euthanasia. Moreover, confidence was diminishing in the effectiveness of the State's therapy when applied not to the traditional line workers, the veterans of Flint, Guam and McCarthy, but to altogether new subjects. Just what did those blackpowerlonghaireddopesmokingflagrant queerhousewivesbians want!

Between the mid-60s and mid-70s, the tax-timidity syndrome intensified. The relation between state and individual capital proposed by Keynes was in crisis. Capital was in a knot, a double bind, and it attempted to cut it in October 1973. The relaunching of the profit rate depended upon capital taking the initiative, cutting out its most vulnerable areas and, most crucially, *quit playing by its old rules*.

### C. The Keynesian Crisis

What was the relation between state and society during the "Keynesian" period? What distinguished US Keynesian planning was its concern with the reproductive sector, because US capital did not have an experienced working class whose production and reproduction had been bargained over for centuries. The waves of immigration and genocide barely gave any demographic and geographic constancy to rely on. The US working class was inevitably "volatile" and "unstable," almost a "thing in itself."

The basic realization of US Keynesian policy was that the enormous accumulation of fixed capital embodied in the assembly-line factories required a proportionate accumulation of capital in the working class ("human capital" as it was called later). Once capital reaches River Rouge dimensions, the short-term disciplinary effect of unemployment is more than counter-balanced by the long-term loss in the productivity of workers. And it was exactly in the productivity that profit was to be found. The obsession of New Deal planners was that the long stretches of unemployment would sap the "work ethic" from the latest generation of factory operatives who had undergone the rigid education of the line in the 1920s (*You can learn a line job in a day, but it takes years to learn a line-life!*). This discipline could not be kept in "cold storage" until individual capitalists were ready for it, for it depreciated and could turn inside-out explosively. Thus the ultimate profitability of capital based on increasing the productivity of work made "mass unemployment" intolerable.

Not only must labor power be produced, it must be reproduced. The housewife becomes the correlate of the line worker in the Keynesian equations. Standardly, the housewife is taken as the consumer, but the Depression planners were more concerned with her as the producer of a "very special article," the availability for work of a factory worker. This requires capital, the home. This was exactly the capital that was disintegrating during the Depression as more and more women left home, divorced and in general "gave up." The Keynesians saw that no high-intensity line worker would work or return to work without an equally

high-intensity reproduction process.

The assembly line is peculiarly vulnerable to individual variations of work pace: the rhythm must be kept off the job as on. Regular meals, regular fucks, regular shits are essential for the gearing of labor power and capital in a stamping plant. Not only had unemployment to be "conquered," but the real wage, which the working class "defended" during the starkest years of the Depression and later forced up, could be capitalized upon. If wage increases could be used to capitalize the home, this would eventually increase the productivity of labor, hence increase profit. Here we have the basis of a class deal: happy workers, happy capital, a compromise! The Keynesian system is delicately balanced upon the symbiosis of home and factory and the use of the wage not only for working class subsistence but as a form of investment for capital.

The dynamic equilibrium between home and line required a precise meshing of the variables of wage, factory work and housework. In the period from the late 1960s to the mid-1970s the mesh began to tear. Divorces, for example, accelerated with the wage, which revealed a new tension between the poles of the Keynesian synthesis, but "surely nothing that would be enough to cause a crisis." The trouble with the Keynesian equilibrium, however, is that it is supremely vulnerable to such lapses (perhaps more vulnerable than to a "small" nuclear war). They were "boom" years, but not for capital. Not only did the struggle in the factories, homes and streets force capital to pay more for factory work; increasingly, capital had to pay, through the state, *directly* for reproduction work that had previously come financed via the male, factory wage. Women and young people would no more "naturally" do what they used to do under the direction of husband and daddy. Thus, though there was an enormous increase of energy generated by the working class during that period, it proved especially resistant to the transformation into work. There was a precipitous drop in the work/energy ratio; this was translated into a "profits crisis" and a subversion of the axioms of Keynesianism.

#### D. Prices and Values

Capital's response to this invasion of entropic energy was not a "strike," an "investment freeze" or the beginning of an era of "slow investment economies." Allowing for the recession of 1974, investment since 1973 (relative to GNP) has sustained and even surpassed the levels prevalent in the 1960s (for all the crocodile tears of the business journals). There has been, however, a shift in the *composition of investment*, which to many, capitalists *and* workers, *appears* as a lack of investment. Why?

### Eulogy for the Auto

The crystallization of the symbiosis between production and reproduction was the car and truck. Not only were they the concrete vehicular mediators between home and the line, they were a combined home-line itself. On the basis of the car-truck economy you get the space-time geometry of American Keynesian society: the car is a little home on wheels and a little factory you can sleep in. The workers at Flint in 1936 recognized this when they took to sleeping and cooking in the hulks of half-built Chevys. A car is an ambiguous piece of capital, a tool and a plaything: a serious, expensive and heavy piece of machinery *and* a bedroom, dining room and kitchen; something highly standardized and then deeply personalized. The nomadic tribe of truck drivers are the paragons of this economic geometry, they created a work-life society of speed on the basis of this crystallization. (In 1950 the real revenues of railroads and trucking were almost identical, while in 1976 trucking was pulling twice the money the railroads made; in 1960 trucking had fewer employees than railroads, in 1977 it had more than twice as many.)

The car became the model of the intermeshing of machine and worker throughout the social factory. The spatio-temporal freedom and power it delivers in the hands of *male* workers, the decentralization of life it provides, had to be, and was, countered by even more precise termini of life. The home schedule and the work schedule increasingly was timed to the minute. It is no accident that the car for Neil Cassidy, in Kerouac's *On the Road*, became the expression of all that was anti-capitalist, anti-home, anti-factory, because he saw in it a potentiality that existed in the metal but was fought by all the levels (from the "car mortgage" to highway police radar) . . . the transformation of the productivity of labor into the freedom *from* labor. But the 1960s went further. The distance between Cassidy's drive-away Cadillac and Kesey's Merry Prankster bus reveals the distance between two periods of working class discovery . . . and Cassidy's difficulty in bridging it: LSD approaches light speed while benzedrine and wine 120 mph. Ginsberg, who was always wiser in these matters, saw the mediator in the van of *Wichita Sutra*, perhaps. Kerouac went home and died.

Simply because fewer people see it.

What has been seen by everyone, however, is the leap of the *relative*, as well as *absolute* price of "energy" commodities (in the form of oil, natural gas, coal, uranium as well as electricity). Inflation has *directly* attacked working class income by reducing the "average" real wage, but the changed *ratio* of energy prices to *other* prices has an immense indirect effect on the composition of the working class and organization of exploitation.

All throughout the post-WWII period up until 1973, a rough equality obtained between price increases in the industrial and energy sectors. From 1973 to the present, a major structural change occurred. Though both price series went up, the industrial price index rose by approximately 100 percent while the energy price index rose by more than 200 percent. Along with these price changes have gone parallel changes in the relative "sales" and "profits" of the two sectors.

These numbers are the hieroglyphics of capital's response to the struggles of the late 1960s and early 1970s. They spell the end of the assembly-line-auto-home political economy, the end of the "blue collar" line worker/housewife nexus, the end of the delicate machine of Keynesian society. By giving primacy to the energy sector, capital can command an enormous amount of work because this command takes place away from the actual scene of exploitation. It almost feels ghost-like. It short-circuits the nodes of class power accumulated in the factories, mines and streets, for this reorganization centralizes the *accumulation* process, while at the same time it enormously *decentralizes* the *exploitation* process. By developing the energy sector, capital is able to exert its magnetic command and extract surplus from every "pore" of the social fabric; every coffee shop, every apartment, every sweat shop must pay for energy costs.

The very *image* of the worker seems to disintegrate before this recomposition of capital. The burly, "blue collared" line worker seems to blur in the oil crisis, diffracted into the female service worker and the abstracted computer programmer. The large concentrations of factory workers that proved so explosive are dispersed, the specific gravity of the worker's presence is dramatically reduced. And it all feels so different! Your wages go up but they evaporate before you spend them, you confront your boss but he cries that "he has bills to pay," and even more deeply, *you don't see your exploitation any more*. On the line, you literally could observe the crystallization of your labor power into the commodity, you could see your life vanishing down the line, you could feel the materialization of your alienation. But in the service industries, your surplus labor



seems to be non-existent, even “non-productive,” “just” a paid form of “housework,” cleaning bedpans, massaging jogger’s muscles, scrambling eggs. While in the “energy/information” sector you seem to be engulfed by the immense fixed capital surrounding you, it feels as if you were not exploited at all, but a servant of the machine, even “privileged” to be part of the “brains of the system.” These feelings disorient struggles. As the vast spatial migrations “to look for a job” disaggregate militant circles, the old bastions are isolated and appear archaic, almost comic.

Finally, these price indices summarize the beginning of a shift in the organization of reproduction. A “society” built on autos is not like a “society” built on computers, McDonalds and nukes, where by “society” we mean the *entire reproduction process*. The new form of life dictated by the primacy of the energy/information sectors, like the struggles against it, is only beginning to be formed.

The “rationality of the energy crisis” for capital as a response to (and an attack on) working class struggles against the poles of Keynesian “auto-industrial” society will be shown below. However, an important objection to this account could be made immediately: if capital can, *at will*, change and manipulate energy and industrial prices on the basis of multinational corporate *power*, i.e., independent of the amount of work that goes into the production of commodities, then we must abandon *work* and *surplus value* (exploitation) as our basic analytical categories. Marx would be an honored but dead dog. We would have to accept the position of Sweezy and Marcuse that monopoly organization and technological development have made capital independent of the “law of value,” (viz., that prices, profits, costs and the other numerology of accounting are rooted in (and explained by) the work-time gone into the production of the commodities and reproduction of the relevant workers). Capital, it would seem, can break its own rules, the class struggle is now to be played on a pure level of power, “will to domination,” force against force and prices become part of the equation of violence, arbitrarily decided like the pulling of the trigger. We disagree with these “monopoly power” theorists; *work and exploitation still remain the basic determinants of motion in capitalist development*, whether you deal with computers and nukes or spades and cotton gins.

How then do we explain the apparent freedom the capitalists seem to have in setting oil *prices* independent of the labor that goes into the production of oil (i.e., its *value*)?

The divergence of prices and values is nothing new. On the contrary, it has always been an *essential aspect* of capitalist rule. Values (worktime)

must be *transformed* into prices and this transformation is *never* one-to-one. *The essence of the transformation of values into prices is that though capital extracts surplus value locally, it does not let those who do the extracting command and expend this surplus value.* The hand of capital is different from its mouth *and* its asshole. This transformation is real, but it causes illusions in the brains of both capitalists and workers (including you and me!). It all revolves around *mineness*, the deepest pettiness in the Maya of the system. For capital appears as little machines, packets of materials, little incidents of work, all connected with little agents of complaint, excuse and hassle. Each individual capitalist complains about “my” money, each individual worker cries about “my” job, each union official complains about “my” industry; tears flow everywhere, apparently about different things, so that capitalism’s house is an eternal soap opera. But mineness is an *essential* illusion, though illusion all the same. Capital is *social*, as is work, and pitiless as Shiva to the complainers, but needs their blindness to feed itself. It no more rewards capitalists to the extent that they exploit than it rewards workers to the extent that they are exploited. There is no justice for anyone but itself.

The transformation of values into prices is ruled by capital’s instinctual demand to “get its just recognition.” For the body of capital has many different limbs, organs, arteries and veins, nerve strands, sensors and processors, each with its organic composition, its own need to be fed-back. The needs, balances, proportions and ratios they imply must be met — or else it would not see its illusions.

How much surplus value goes to a particular organ of capital is determined by *its organic composition*: the mixture of dead and living labor that is found there. Lets take three examples: a nuclear plant, an autoplant and a local “greasy spoon” restaurant and bar. Each is a machine with different needs and different products. The bar needs Jack Daniels, while the nuke needs refined U235; the restaurant and bar needs an easy-talking bartender and a speed-freak grillman, the auto plant needs welding bonders and line workers. All these “needs” have histories derived from struggles. The nuke “needs” to have a “two man rule” in monitoring all vital operations; the autoplant “needs” guards at the gates and computers assessing the speed of flow to detect slowdowns; the restaurant “needs” dishwashers that can’t talk English. The struggles are written in the machine; they create the *need for redundancy*, since the struggles are a noise that keeps the message the machines send out from being reliable and eternal.

Each of these mixtures of living and dead, animal and mineral, energy

and work, can be measured in a mathematical proportion roughly corresponding to the ratio of the value of constant capital (the value of the means of production) and the value of labor power (the value of the wages). A typical nuclear worker works with about \$300,000 worth of equipment, a typical autoworker mixes with about \$30,000 worth of other machines, while a typical restaurant-bar worker uses \$3,000 worth of "means of production." Yet, the wages of the typical autoworker and nuke plant worker are almost the same, while those of a restaurant-bar worker are officially half (although the inclusion of tips would increase it). Clearly the differences in capital per employee swamp out the differences in wages, and we see a segmentation in the skeleton of capital delineated in the exponential powers of the organic composition:  $10^3$ ,  $10^4$ ,  $10^5$ . Let us call these the low, average and high sectors of capital and consider Graph #3.

There is much to say of these vertebrae of capital, but let us concentrate on the work/energy relation in each of these sections. In the average section there is an *obvious* relation between the energy put in, the work that comes out and the profit gotten from it. It is clear to the autoworker that a speed-up increases the flow of cars off the line and GM's profits. There appears to be here a one-to-one relation between increased investment in machinery and the productivity and intensity of work. This is the range of *relative surplus value*. The worker here can see his/her exploitation via the speed of the line. In the low sector the length of the work day becomes important. This is the area of *absolute surplus value* where the work comes by storing the energy of the worker within the job as long as possible. The problem here is that the worker cannot see the surplus. The local restaurant might kill its employees with overwork and still look like it's making "no money." The boss may be as depressed as his/her workers and poring out his energy "for nothing," thus the tears of the

Graph #3	C/V	S	Type of Work
High	$10^5$	Transfer	Program Engineer
Average	$10^4$	Relative	Assembly Line
Low	$10^3$	Absolute	Clerical McDonalds Masseuse

small business types, the "hard working" sector of capital. Finally, there is the high sector. There, enormous profits are made, but not off the workers who operate the nuke plants *per se*. True, they earn their wages on the way from the parking lot to the control room, but the amount of surplus value "produced" in the ensuing eight hours is absolutely minuscule, though relatively enormous! Where do their profits come from?

Surplus value is *transformed* into the nuclear industry by the divergence of prices and values. As Marx points out, social capital needs an *average rate of profit*, while individual capitals must be rewarded differentially according to the amount invested in each organ. But each organ has a different amount of constant capital in it. Those organs with a high capital investment per worker need an above average amount of surplus value feedback into them, those with an average amount of investment per worker requires an average feedback, while those with a low amount of capital "need" only a low return.

"Equal weights and Equal measures," says social capital over the lamentations of its Jobs in restaurants, sweatshops and construction companies. "I only recognize myself," "I am I" booms capital out of the whirlwind, and the petty bosses slink away with their boils. *This feed-back justice is determined by prices.* Commodity prices in the High industries are always greater than their values. Low industry commodity prices are always below their value. High industries "suck up" the surplus value produced at the bottom of the system through this price structure. The diversion of price and value makes it clear that *extraction of surplus value and command over the expending of the surplus are different operations.* The boss of Alice's restaurant can complain, but he *must* still pay his electricity and heating bills (though he tries hard to avoid it). Like Job, the petty boss recognizes a higher power he cannot deny, for though it hurts him he would be annihilated if it abandoned him. So he must pay this power tribute, however unjust it appears. He perhaps even glimmers on the deeper, larger schemes of the Savage God, though it crusheth him.

### E. The Deduction of the "Energy Crisis:" A Theoretical Interlude

The divergence of prices from values shows how there is a *possibility* of an energy price rise versus other prices without abandoning a work-exploitation analysis of capitalism. For by investment in the High sector to escape assembly-line insubordination, women's refusal of housework and urban insurrections, the High sector attracts higher commodity prices. But why did the profits crisis *actually* require an "energy crisis" and not

simply the traditional tools of the capitalist cycle? Why was the profit-fall-unemployment-wage-rate-reduction-profit-rise sequence (i.e., the “old time religion” of capital), which retains the general physiognomy of the system, not adequate anymore?

The answers to these questions has many parts, but one thing is clear: the source of the crisis is in the breakdown of the Keynesian factory-home circuit that was the basis of the post-WWII political economy. Capital, like an amoeba, contracts in areas of acidity and expands in more nutritious and bland waters. In the profits crisis decade, the areas of acidity concentrated in two spots: (a) in the assembly line production, in “middle level” manufacturing and extraction industries, and (b) in the “home” where reproduction work is centered.<sup>7</sup> Capital experienced the crisis of profits both as a *local* and *global* irritant as well as a decline in its self worth and “castration” by the big-bad state (the tax-timidity syndrome).

A typical “common sense” response to the questions of this section is that the taxation timidity syndrome has brought on a chronic *productivity crisis* of which the energy crisis is one instance. From the winged words of corporation executives, from the pulpits of economic Poloniuses, the same evil is identified and decried: *the collapse of productivity*. But are the sermons total myths? Yes, myths indeed, in the narrow sense of “productivity.”

If by “productivity” we mean (as econometricians do) “real” output per working hour, then capital had no productivity problem. On the contrary, the post-WWII period has seen a productivity boom, at least compared with the 1914-1947 period, which saw two wars and the Depression. Moreover, though both periods showed comparable increases in output per hour, the previous one showed a greater increase in the real wage and a reduction in the work week. If the performance of the first period had been repeated in the second, the work week would now be 27.8 hours and the average real wage would be substantially higher (see Graph #4).

Graph #4	Changes in Real Output Per Person Hour	Changes in Real Wages	Changes in Work Week
1914-1947	+107%	+103%	-31%
1947-1979	+91%	+66%	-11%

Further, in the energy crisis period (1973-1980), though output per work hour was rising slower than in the past, real wages lagged even behind this pace. *But capital is not interested in output per se, it is interested in its share.* The relation between changes in real profit and changes in productivity shows the statistical anomaly of the 1965-1973 period. In the post-WWII period up to 1965, year-to-year changes in profits tended on the average to be twice as much as changes in productivity; but in 1965 they began to equalize. Only after 1973 did the ratio return to its historical position. This shows that the 1965-1973 period cut down the attractive power of profits and further disintegrated the profits-wages ratio. Somewhere there was a leak. Everywhere there was the search for the thief of profit. Youth, women, blacks, the "collapse of the work ethic," were the likely suspects. Consider the sage words of Ford's Malcolm Denise in December of 1969:

Nowadays employees are (1) less concerned about losing a job or staying with an employer; (2) less willing to put up with dirty and uncomfortable working conditions; (3) less likely to accept the unvarying pace and functions on moving assembly lines; (4) less willing to conform to rules or be amenable to higher authority. Furthermore, the traditional US work ethic – the concept that hard work is a virtue and a duty – has undergone considerable erosion . . . There is also, again especially among the younger employees, a growing reluctance to accept shop discipline. This is not just a shop phenomenon, rather it is a manifestation in our shops of a trend we see all about us among today's youth.<sup>8</sup>

The wind was full of such lamentations! "LSD will eat up the line!" "The feminists will wreck the family!" "The blacks want everything!" . . . *ad nauseam.*

When output per hour collapsed in mining and began to slow down in auto, steel and rubber, the volume on the capitalist dial was turned up a few notches. But the source of complaint was *not output per hour but profit per work hour.* The share of profits in productivity increases was in peril . . . Hence the need for a total change in the structure of prices and work, for this was not another statistic, but the basis of the relation between working class and capital. As our introduction pointed out, a satisfactory matching of productivity to profit has been the essence of capitalist strategy since the end of the nineteenth century. Any serious disturbance of this strategy puts into question a century of that capitalist wisdom embodied in the "Marginal Theory of Value and Distribution."

Capitalism is a system of margins, accelerations, of changes, differentials; not flows, but flows of flows. Thus, the appearances, though obvious

and bemoaned, did not tell the tale. Capital is abstract and its snapping is *at first* abstract as well, for the problem is not speed but lack of impulse. The 1965-1973 profits crisis stopped not the flow, but the flow of flows. To understand the strategy of accumulation that was put in jeopardy by the class struggle of that period, we must do some investigation of capital's mind, not so much psychoanalysis as theoretical eavesdropping.

"Marginal Theory," the economics we get in every introductory course, significantly appears on the scene at the very time of the explosion and slaughter of the Paris Commune. It claims that in order for individual firms to maximize profits and for the accumulation process to flow throughout capitalist society, wages and profits must be correlated with the ever increasing productivity of social labor. In other words, productivity increases achieved by new technological leaps, more "efficient" organization of work in factories, mines and farms, more "scientific" planning of family, school and health, had to be shared with the working class. Capital could not appropriate it all. A classic application of this strategy is the early Ford wage policy that combined relatively capital intensive, mass production techniques with bonuses for punctuality and a "clean family life." Without such schemes, the worker turnover rate, which was approaching 300 percent per year, would have interminably broken the continuity of the line (the very basis of its productivity). Nobody is born an auto worker, they must be made, and their production in the home must be planned. Ford understood the other side of Marginal Theory: not only must wages be used to "induce" workers to accept the discipline of the assembly line, but with higher wages the working class can become a dynamic consumer and push the system to higher levels of production (hence profitability, since a concentration of fixed capital such as River Rouge requires continuous utilization to pay off). Once wages are as dynamic as social productivity, the working class becomes a production agent integrated into the capitalist system through the consumer-goods market. Reproduction becomes a "dynamic force of production" instead of merely guaranteeing the subsistence of labor power.

Marginalist theory has been criticized by Marxists as a subjective mathematization of vulgar economics ideologically motivated to slay Marx. Bukharin calls this theory "the ideology of the bourgeoisie who has already been eliminated from the process of production."<sup>9</sup> In reality, it is the strategy of introducing the working class into the process of consumption. Marxists did not see that the legitimizing purposes of marginalist theory were tangential, and that its primary purpose was to provide a new strategy to capital, in front of a radically different class struggle. By the

1870s and the Paris Commune's volcano of desires, it became clear that the working class could not be taken as a separate, almost-natural species, with fixed needs that might or might not be satisfied depending on population growth. As Marx's 1867 *Value, Price and Profit*, suggests, in this period the struggle for the *normal* working day was slowly yielding, in the most advanced sectors, to the struggle for wage increases.

The class forces were entering into a new Constellation. To see this, let us get back to basics. The working day resolves itself into two magnitudes:

$$\frac{V}{S}$$

V represents the amount of social labor time necessary to reproduce the working class in its capitalist function, S is the surplus labor capital appropriates in the working day. This unpaid labor, the secret of capital, appears in many forms, not only in the factory but in the kitchen, the ghetto street and the laboratory. Mathematically, the class struggle resolves itself for *capital* into the relation between V, S and V+S. The object is the accumulation of surplus, S, and there are only two ways of increasing it: *absolutely* and *relatively*. *Absolute surplus value is appropriated by lengthening the working day, V+S*, without changing V. This was the type of surplus value developed in Newton's time. But capital's ability to generate absolute surplus value was undermined by the working class struggles for a "normal" work day, i.e., the "ten hour" and "eight hour day" campaigns. Capital's response was relative surplus value, which is appropriated by reducing V relative to S while leaving V+S constant or even decreasing it. Relative surplus value is the type of production that is at the basis of thermodynamic's investigation of work/energy.

It can only be produced by constant revolutions in the forces and relations of production, requiring the application of science, memory and skill at every linkage. Marx saw the turn to relative surplus value as the *necessary tendency* of capital:

The increase of the productive forces of labor and the greatest possible negation of necessary labor is the necessary tendency of capital . . . The transformation of the means of labor into machinery is the realization of this tendency. . . In machinery, objectified labor itself appears not only in the form of product or of the product employed as a means of labor, but in the form of the force of production itself. . . The transformation of the production process from the simple labor process into a scientific process, which subjugates the forces of nature and compels them to work



in the service of human needs, appears as a quality of *fixed capital*. Thus all powers of labor are transposed into the powers of capital.<sup>10</sup>

The Marginal Theory reflects capitalist strategy in the era of relative surplus value. "Productivity" becomes a central political category, "efficiency" the battle slogan in the regulation of the class relation as the shibboleth of "unproductive" was hurled at the feudal landowners by the early bourgeoisie. Thus Jevons, the "father of Marginal Theory," saw it as a statistical thermodynamics accounting for the transformation of energies (in the form of desires, pleasures and utilities) into work. For him the capitalist system is a gigantic social steam engine that turns the millions of separate energetic impulses of the working class into accumulated capitalist power. It took a relatively short time for this theory to enter into the curriculum of the capitalist manager. Its pedagogical function is immediately evident even in its abstract form (despite the eternal complaint of the "shirt sleeve" business economists against their theoretical colleagues), for it accustoms capital to a fluidity in productive arrangements: the expectation of constant change in productive relations (aimed at destroying nodules of working class organization) and an appreciation of its own abstractness. At the same time, the theory taught a complementary lesson: the working class could no longer be merely *resisted*, repressed and killed when it struggled; it had to be allowed a dynamic function in the system of productive relations and the market . . . the struggle could and had to be used.

This theory, e.g., showed capital how unions could be used instead of being outlawed and crushed whenever they appeared. For it maintains that unions cannot increase wages beyond the productivity of labor *in the long run*, because wages are ultimately controlled by supply and demand in labor market. At worst, unions are innocuous; at best, though they may hurt individual capitalists, unions, by bargaining over wage and working conditions, can spur changes in the organization of work and stimulate productivity.

Consider Bohm-Bawerk, the Austrian finance minister and discoverer of the "error in the Marxian system" (i.e., the deviation of prices from values). In 1914 he wrote:

If the entrepreneur finds his hands tied by the price of labor, but not in regard to the physical equipment of his factory, and he desires to adopt the presently cheapest combination of factors of production, he will prefer a combination different from the one used before, one that will enable him to make savings in the now more costly factor of labor, just

as, for example, an increase in the cost of land may cause the transition from extensive to intensive methods of cultivation.<sup>11</sup>

In other words, if unions force wages up, this will force the capitalist to reorganize production by making it, e.g., less extensive and more intensive in time (for space becomes time when we go from land to work). Unions can force a transition from absolute to relative surplus value and become a factor in the development of capital, provided they are attuned to the system: don't agitate too much, don't desire too much and, most important, "get down with us." Although the variety of tactics capital uses to attune the working class are barely mentioned in the textbooks and treatises, the "entrepreneur" should figure it out himself: sometimes head bashing, sometimes prime ministerships. What was crucial was the strategy that was taught to generation upon generation of capitalists: one doesn't fight the class struggle any more with the tactics of Scrooge.

Such a century-old strategy is not abandoned easily. Even the so-called "Keynesian revolution" did not question the importance of linking wage and profit increases with productivity increases. Keynes saw that it was crucial for "collective capital," the state, to intervene and guarantee this correlation, should the individual capitalists refuse. Yet throughout the 1960s and 1970s, Marginal Theory was systematically attacked in debates on capital's theory. "What," say the marginalist economists, "can't wages-and profits grow and twine together like tendrils from the graves of dead lovers?"

Just as statistical surveys were proclaiming the long run success in linking *real* wages with productivity, there was increasing disquiet in the councils of the wise. By the early 1970s it was obvious that profits and wages were again antagonistic, as in the days of absolute surplus value. Profits were not gathering a normal share of productivity increases and, even more ominously, the institutions of bargaining essential for the equilibrium (the unions and social democratic parties) were subverted or bypassed by the struggle. Welfare struggles, ghetto revolts, wildcats, factory occupations and a "breakdown" in discipline from the army to the university (reflecting a "disorder" in family and sexual relationships) all moved outside the orbit of union-management corridors and club house crap tables. Though the absolute content of these struggles took seemingly opposite poles:

*The End of Work – Pay For All The Work We Do*

*Make Love Not War – Love is Work*

*Freedom Now – No More Free Work*

Capital was more concerned with their "non-negotiability," their

"unreasonableness." Capitalism lives on the future and the immediate quality of these demands spelled: *No future, we want it now!* What might have appeared as slight statistical shifts had the nature of auguries from the tangled guts of data charts and computer printouts. Productivity was no more guaranteed by the new class forces, who sniffed the astronomical level of accumulation achieved and were demanding it *all* and *now*.

As in the epistemology of pragmatism, irritation leads to thought, and these demands rubbed capital's managers raw. Lucky for capital, the needed thought had already risen to consciousness. Piero Sraffa had developed a system that suggested a strategy radically different from the Marginalist. Like all genuine capitalist responses to working class struggles, Sraffa's took up the class' demands, but with a twist of its intent. Just as early capital took the Diggers' anti-landowner slogan, "Those who don't work should not eat," and turned it against them, the new capitalist strategy takes the working class' refusal of work and relativizes it to itself.

Sraffa's strategy begins with capital's perception of the crisis as an inability to link, in a balanced way, wage and profit growth with productivity changes. Sraffa argues that wages and profits must be considered *antagonistic* magnitudes. In Marginal Theory, on the contrary, the wage is a payment for the use of a certain "factor of production" — labor, to its *owner* — the worker; while profits are payments for the use of invested capital (in the form of machines, raw materials or money) to its owner, the capitalist, i.e., wages and profits are theoretically *independent* of each other. The Marginal Theory begins with the individual firm, and each factor, labor and capital, contributes to the firm's production and is presumably rewarded accordingly: "a fair day's work for a fair day's pay" and "a good tool is worth its hire."

Sraffa, instead, considers the capitalist machine *as a whole*, with its total inputs and outputs, its food and its shit. He has the total output cut in two: wages and profits. The wage is part of the total value appropriated by the whole working class. His image is that the capitalist machine (a complex intermeshing of material and work flows, transfers, creations and interruptions) stops at every period and drops out a total product, *then* capitalists and workers *struggle* over how much each gets. No more "to each his own," now it is *lex talonis*, dog packs and wolf packs warring over the carrion. *But* there is a limit as to how little workers can get. They must receive enough of the total product to subsist and reproduce their race. The wage, then, must be divided into two parts:

We have up to this point regarded wages as constituting of the necessary subsistence of the workers and thus entering the system on the same

footing as the fuel for the engines or the feed for the cattle. We must now take into account the other aspect of wages since, besides the ever-present element of subsistence, they may include a share of the surplus product. In view of the double character of the wage it would be appropriate when we come to consider the division of the surplus between capitalists and workers to separate the two component parts of the wage and regard only the "surplus" part as a variable.<sup>12</sup>

The "subsistence" part of the wage is reminiscent of the classical notion of the wage (e.g., Ricardo's "natural price of labor . . . that price which is necessary to enable the laborers, one with the other, to subsist and to perpetuate their *race*, without either increase or diminution").<sup>13</sup> By its nature, the subsistence wage is not proportional to the *amount* of work done, though it is fixed by the constraints of the particular productive system and the presumably fixed (quasi-biological) needs of the "race of workers." The necessity of a subsistence wage reflects a problematic truth individual capitalists try to elude, but capital as a whole cannot: in order to work, you must remain alive *even though you are not working*. This is the final "externality" of capitalist production. It is the pollution of non-work eternally produced by work that somebody must "clean up."

Classical economic theory led to "the iron law of wages," but discovered that iron can melt under intense heat. Thus, Marginal Theory conceded that the wage can be a variable as long as its variability is ruled by the productivity of labor. For Sraffa, on the contrary, the variable part of the wage arises from the existence of a total surplus, produced by the production apparatus as a whole, beyond mere subsistence. Sraffa argues that the "race of workers" struggles with capital to appropriate part of this surplus independent of *its* productivity. This "surplus wage" is a sort of "political wage," for it is not determinable within the system of *technical* relations of production. With Sraffa, Bohm-Bawerk's confidence that the wage will *in the long run* be determined by the "free" market of labor is exploded. Sraffa's framework describes a world where the working class has effectively broken the tie with productivity and the relationship between wages and profits is strictly antagonistic. With Sraffa, capital conceptualizes a situation where the quantity of the total machine's production is no longer proportional to the amount of work squeezed out of the working class: the wage becomes independent of work. It spells the end of the Marginalist's attempt to justify profit as a "fair reward" for capital's contribution to the production process. Nothing is due capital, everything must be fought for. We reach here that situation of great class tension anticipated by Marx in the last century:

Real wealth manifests itself, rather – and large industry reveals this – in the monstrous disproportion between the labor time applied, and its product, as well as in the qualitative imbalance between labor, reduced to a pure abstraction, and the power of the production process it superintends. Labor no longer appears so much to be included within the production process; rather, the human being comes to relate more as a watchman and regulator to the production process itself.<sup>14</sup>

When the productivity of labor increases beyond certain limits, Marx argues, any attempt to use “labor time” as the measure of wealth fails and “exchange value ceases to be the measure of use value.” Capital finds itself in its deepest contradiction:

On the one side, then, it calls to life all the powers of science and nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labor time employed in it. On the other side, it wants to use labor time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value.<sup>15</sup>

When working class struggle pushes capital to a point where necessary work time approaches zero, Sraffa's system can be profitably applied.

What can determine the wage in such a situation if not productivity? Sraffa turns to the old discussion of the Corn Laws, i.e., to the manipulation of the wage by control of the relative prices of commodities. He argues that prices are *fixed* by the wage rate; at the same time, given commodity production, the wage rate can also be determined by exchange relations between commodities. As long as capital has the power to relate prices it has the power to control how much of the (surplus) “political” wage the working class will appropriate. *But not just any commodity will do.*

Sraffa distinguishes between two types of commodities: basic versus non-basic. Basic commodities enter into the production of all commodities, while non-basic ones do not.

These (non-basic) products have no part in the determination of the system. Their role is purely passive. If an invention were to reduce by half the quantity of each of the means of production which are required to produce a unit of a “luxury” commodity of this type the commodity itself would be halved in price, but there would be no further consequences; the price relations of the other products and the rate of profit would remain unaffected. But if such a change occurred in the production of a basic commodity which does enter the means of production, all prices would be affected and the rate of profits changed.<sup>16</sup>

In other words, if one wanted to influence the wage (and hence the profit) rate, it would make no sense to change the price of Pennsylvanian coo-coo clocks or even of stereos and TVs, i.e., the "consumer durables" that have proven so crucial to the development of the system in the past. A Sraffa-type strategy must employ energy commodities (e.g., oil and electricity) since they enter directly or indirectly into the whole spectrum of production from fertilizers to computers. *"Energy" commodities are basic commodities.* Thus, any attempt to affect the wage-profit relation in a period when marginalist theory is inoperative must involve price changes of basic commodities. This excursion into Sraffa's theory explains why the profits crisis of the 1965-1972 required an energy crisis. *Only with price changes of the energy commodities can the average real wage be reduced and investment moved from lower organically composed industries to the High industries.* Such price changes dispose of both global and local irritants affecting the profit rate, since they reduce the general wage (whether paid on the job or through welfare checks, pensions, unemployment checks), and at the same time, reduce the share of value that goes to the Average and Low industries. Energy plays a central role *both* in the wage commodity "bundle" (heating, food, etc.) *and* in the production of "capital" goods. To change its relative price is inevitably to affect the *average* rate of profit, instead of cyclically returning to a predetermined profit rate. The profits crisis heralded not another fluctuation around a given "long run" average rate of profit, but a fall in the average that could not be dealt with on the basis of the Keynesian wage-inflation cycle that coordinates real wages and productivity via the "money illusion." No "State Bank induced" inflation or "monopoly capital" pass-along of wage increases would deal with the surprising totality and novelty of working class struggle. The essential mechanism to reshape the system had to be an energy price transformation that would effect the profits crisis both globally, in the realm of social reproduction, and locally, in the closedown of insubordinate factories.

### F. The Manifold of Work: Reproduction

Sraffa's distinction between basic and non-basic commodities is essential to our explanation of the energy crisis as a response to working class attack on capitalist accumulation in the late 1960s and early 1970s. However, there is one crucial flaw in Sraffa's theory. Capital does not produce things, "commodity bundles," "finite pies," or *physical* shit, but values, work. It is a system for the exploitation of time, life and energy. Though we have reached the period when all the "powers of science and

of nature, as of social combination and of social intercourse" are integral to the process of production, capital has in no way gone beyond its measuring rod – work-time – as Sraffa suggests. The "law of value" has not been repealed; on the contrary, it rules with the greatest rigor. Similarly, the relation between capital and the working class is not a "pure power relation" (like that between DeSade's aristocrats and their subjects), but one in which work remains the basis of capital's power. What is transformed by the change in basic commodity prices is *work* from the Low sector to the High sector.

For the energy price rise strategy to succeed, an enormous amount of work must be produced and extracted from the Low sectors in order to be transformed to capital available for the High sector. In order to finance the new capitalist "utopia" of "high-tech," venture-capital demanding industries in the energy, computer and genetic engineering areas, another capitalist "utopia" must be created: a world of "labor intensive," low waged, distracted and diffracted production. The price rise would be reduced to paper unless it imposed a qualitative increase in shit work. This is the crisis *within* the crisis. Can energy price hikes be backed up with the requisite work? In this juncture, as always in capital's history, a leap in technology is financed out of the skins of the most technologically starved workers. [For a development of this analysis on a planetary scale, see G. Caffentzis, "On Africa and Self-Reproducing Automata," in *Midnight Notes, New Enclosures.*]

Those in the anti-nuke movement who have as their slogan "Nukes destroy, Solar employs" are wrong. A nuclear society requires an enormous increase in work, not *in* the plants or the fuel cycle, of course, but in the capitalist environment. Utilities might invest in nuclear plants and the engineers and guards necessary to run them, but the investment does not guarantee a given "return." For profit to be made out of such a "high-tech" investment, it must be transferred from "low-tech" exploitation. As always, "Accumulation of wealth at one pole is . . . at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole."<sup>17</sup> The resolution of the energy crisis requires the destruction of the old type of line worker and the creation of a new figure of exploitation. Where is this work to be extracted from? Or rather, from whom?

Capitalist development feeds on the energy of the working class, on its revolutionary disgust. Ironically, capital's answer was provided by the struggle itself. If the profits crisis had its epicenter in the fission and explosion of line workers and housewives, then its resolution had to use

these energies against themselves. Such is the capitalist dance called the dialectic. To the men who said, "Take this job and shove it," capital responded by closing auto and steel plants; to the women who said, "Hit the road, Jack," capital responded with the "service sector" job. The increasing refusal to accept the Oedipal wage relation by women and youth forced a complete reorganization of the wage and the structure of work. The energies released by women's revolt against unpaid labor in the home have been the basis of the enormous expansion of a low organic composition sector which has provided the work necessary for the energy price transformation. Women's revolt, while revealing their exploitation through the Oedipal wage, opened a new path for capitalist development.

The "Oedipal" wage is the wage paid to the male worker for his reproduction, which also, though in a hidden and distorted manner, is to reproduce his wife and children, *and* which gives him real power over them. The structure of the nuclear family is buried in this wage, the whole complex of power relationships between men and women is summed up in a number. But it is another example of the illusory nature of the wage.

The wage — economists say — is "the price of labor," but what is this price about? Five dollars an hour, \$200 a week, \$10,000 a year, \$400,000 a life . . . what does the money *per* time really pay? Does *any* amount pay for your life-time? Not really, it merely pays the time it takes to make you:

The value of labor-power is determined, as in the case of every other commodity, by the labor-time necessary for the production, and consequently also the reproduction of this special article. So far as it has value, it represents no more than a definite quantity of the average labor of society incorporated in it . . . the value of labor power is the value of the means of subsistence necessary for the maintenance of the laborer.<sup>18</sup>

So says Marx, but here he's wrong. For the production of labor-power does not "reduce" to a bundle of commodities, the means of subsistence. *Labor is also necessary to produce this "special article,"* that must be included in the value of labor power. It is the essential micro-work, largely feminine, unpaid and thus invisible. Housework . . . from raw to cooked . . . washing, fucking, cooling tempers, picking up after the bash, lipstick, thermostat, giving birth, kids, teaching them not to shit in the hall, curing the common cold, watching the cancer grow, even lyric poems for your schizophrenia . . . sure Marx points out that there is a "historical and moral element" in the quantity of the means of subsistence, but his servant girl and Jenny seemed to come for free.

Why the micro-invisibility and virtual character of housework? Simply because, as long as capital didn't have to pay for it, it could repress



the demands of the female houseworkers and have the sexual poles of the working class at each others' throats. Only when women refuse to do this work does capital begin to recognize it and pay it, i.e., only when women struggle against this work does it become a commodity. For the primary way capital recognizes itself is in the mirror of the commodity form, and the necessary condition for something to be a commodity is that it satisfies a desire "real or fancied."

However, something cannot be desired if it is there, being qua being, pure facticity, if it is natural. Something cannot be a commodity unless someone *lacks* it. But what is lacked can be *made* to be lacking. Capital creates commodities by making what is natural, unnatural, as in the case of land. But there is a complementary operation of making what is unnatural, natural. These two operations have been applied to work. Regular waged work is desired by capital, it needed it, wanted it and can be denied it by a struggle: hence it is unnatural, a commodity, paid. However:

In the case of housework the situation is qualitatively different. The difference lies in the fact that not only has housework been imposed on women, but it has been transformed into a natural attribute of our female physique and personality – an internal need, an aspiration, supposedly coming from the depth of our female character. Housework had to be transformed into a natural attribute rather than be recognized as a social contract because from the beginning of capital's scheme for women this work was destined to be unwaged.<sup>19</sup>

When women refuse to do "what's natural," then their services become commodities for capital, whole industries are born. Similarly, at the moment black lung disease began to become "unnatural for a coal miner," when the miners' struggle refused the "constant concomitance" between their job and slow suffocation, the respirator industry "took off." So capital develops both from our death and our refusal of it. *The revolutions of desires that lay behind the tides of capital's technological "creative destruction" are rooted in the refusal of the working class to just be.* This is the dialectical harmonic that joins class struggle with capitalist development. This general correlation applies to this crisis as well.

At the very moment when Nature "refuses to give its gifts in abundance," the "Nature" within society, the woman, refuses its place. The fights, the visits to the therapist, the affairs, the divorce, the welfare line, the service sector job meet the oil price hikes. The destruction of Oedipus is not just a psychoanalytic comedy, it is out of the revolt of the women and children and the wandering of the men that capital must create

commodities in order to generate the work, and surplus value, essential for this period. A dangerous and even desperate ploy? Perhaps. But these are "apocalyptic" times.

Take jogging for instance. Men now know that the wife, or even mommy, will not necessarily be around after the open heart surgery, and that the cost of a private nurse would be prohibitive, especially given that the very requirements of a steady job over a few decades (which would make the private nurse possible) call for a care-and-feeding that only the now non-existent family can provide. So you jog, you "take care of yourself." The same is true of women, as there is no insurance, no steady man's job with fringes, no regular wage coming. Part time jobs just don't provide. So you jog. Even the kids jog from the start since they've learned the facts of life early. At the end of the day, you invest your hour around the park, reproducing yourself since no one else will do it for you for free any more. But around this twilight act revolve whole industries, new health technologies, new clothing for jogging in the rain, new sneakers, massage specialists, health clubs, etc.

Indeed, as the death fear mounts, as you know that Colonus does not wait, but the leukemia, the I.V. and the oxygen tent remain, a new industry around death develops: death nurses guiding you through the "five stages" calmly, for it is all pre-planned and researched, massaged with a cocktail of morphine and whisky on the tray. As the family evaporates, the most explosive industry is that of the body. Not accidentally, we see that independent of the ups and downs of the business cycles, "health services" have nearly doubled in employment in the crisis to fill up the vacuum. In this industry there are approximately four million women and about one million male workers. The scene is obvious: your former wife, mother or sister is doing something that she used to do for free, but now she gets paid for it. What was natural before is problematic now and you wonder if anybody will answer as you press the button beside your bed.

Unfortunately for capital, labor power needs a body, it "pre-supposes the living individual," and so capital must keep us alive in order to make us work (and die) in its monitors. But there is nothing automatic about living, work must be done to carry it on, and when the women of the family stop their work somebody must pick it up. Take the question of food . . . certainly its price has a crucial impact on the wage, but an equally important factor is brought in by the question, "Raw or cooked food?" Who is to cook it, serve it and talk to you while you eat it? Mama? Increasingly it is the teen-aged Vietnamese girl at McDonalds, now that approximately half the meals in the US are eaten outside "the home."

The “service economy” becomes the counter-pole of the “energy/information” economy and it’s the *growth* sector of the crisis. This sector is but an extension and socialization of women’s work in the home. In the Keynesian period the “institutions of the state” – schools, hospitals, jails and army were *supplements* to the home. They would take over when the “woman” failed, or finish off and standardize her work . . . Yet, at the hub, women’s work in the home remained the fundamental producer of subsistence for the male worker. But with the work/energy crisis, the center cannot hold any longer. Increasingly, the invisible work previously crystallized in the assembly lines appears *qua* work in the service sector. The Oedipal wage gets disaggregated. The “external” agencies and industries expand and become replacements instead of aids for the home.

Women’s struggle against housework has forced a re-analysis of the wage and the reproductive work done in the home. Whereas before it was hidden in the male wage, now it takes on a separate status. The invisibility of housework, veiled by the wage, is nothing new. For the wage is designed to obscure:

The wage-form thus extinguishes every trace of the division of the working-day into necessary labor and surplus labor, into paid and unpaid labor. All labor appears as paid labor. In the *corvée* the labor of the worker for himself and his compulsory labor for his lord differ in space and time in the clearest possible way. In slave labor, even that part of the working-day in which the slave is only replacing the value of his own means of existence, in which, therefore, in fact, he works for himself alone, appears as labor for his master. All the slave’s labor appears as unpaid labor. In wage labor, on the contrary, even surplus-labor, or unpaid labor, appears as paid. There the property relation conceals the labor of the slave for himself; here the money-relation conceals the unrequited labor of the wage-laborer.<sup>20</sup>

The slave’s revolt has forced the master to recognize the slave’s labor power as alien to him and has forced him to buy it, to pay for it. But in the wage another form of exploitation is again hidden. Mirrors don’t all lie in the same way. Formal slavery is not the same as waged work. There are forms of work organization that are impossible under slavery, types of rhythms that are not sustainable. Capital learned that the whip and chain are not the most profitable forms of work control. The slave is “inert,” “invisible,” “opaque,” and he must be pushed around to get anything from him. It is capital’s great discovery that “freeing” labor power actually leads to greater levels of exploitation, and its occasional returns to slavery (Nazi Germany, Jim Jones, Southwest immigration)

have reconfirmed this truth. The free laborers "freedom" gives capital a new dimension of movement while the slave sticks, is mechanically dependent upon the production process, is a machine among the machines and must be cared for when it breaks down.

Women's labor has had a formal status intermediate between the slave and the waged worker, for she is technically free but actually unpaid. In some ways, her status is worse than the slave's, for she was "the slave of the worker," instead of the master. But her revolt, while destroying the old system, creates the possibility of a new source of exploitation (as well as the possibility of capitalist catastrophe). For with the explosion of the service sector's extensions of housework, capital reopens a forgotten page in its history: *absolute surplus value production*.

Since housework has always been a "labor intensive," low-tech form of work, the service sector is low on fixed capital. (Sexual technology, e.g., has barely recovered the level of ancient Egypt in recent years, and though billions have gone into the research of better methods of conception, there has been next to no official research on the biochemical roots of pleasure, sexual or otherwise.) Hence the "low productivity" of the services, a fact used by some economists to explain the breakdown of the economy-wide productivity trends in the crisis. If relative surplus value productivity is not the source of exploitation, then capital must have recourse to time and the length of the work-day, i.e., absolute surplus value.

For there is a major problem in extracting relative surplus value from housework: although it can be industrialized, there are bottlenecks and anachronisms limiting its productivity. Take prostitution: though there are all sorts of tricks to make the john come faster, there must be some time-consuming contact and an immediate struggle over time (hence the pimp). In fact, the reproductive effect of many services seems to necessitate some minimum amount of time (like the limits imposed on agriculture by the seasons). Theoretically, these too can be disposed of in the same way that agriculture can be completely detached from seasonal cycles, but this would require a history of struggles that have not yet taken place. Hence service work, because of its unit-by-unit character, largely allows only absolute surplus value production.

This development of absolute surplus value work is not statistically evident because much of this work is "part time." This does not imply that a woman's working day is reduced by working part time. On the contrary, it means that an enormous part of the total housework women still do remains unpaid. In this transition period, capital is still interested in getting as much unpaid work as possible out of women *both* via the job

and what remains at home. Thus we have women in the 1970s, in the midst of a jungle of microcomputers, genetic technology and fission reactors, with work schedules that would make Manchester operatives nervous: 6:30 get the kids and hubby ready, 9:00 on the "part time" job, 2:00 off the job and go to pick up kids, 5:00 make dinner, 8:00 school-time for Mommy to up-grade employment someday, 12:00 fuck and sleep (?). There is an enormous amount of surplus value in this schedule, though the energy to do it comes from the desire to get "from under the thumb" of hubby.

Housework then is externalized and waged. Surplus value is extracted directly from the labor time of the woman on the job, in addition to her reproduction work being extracted from the male workers on the assembly line. With the growth of the service sector in the crisis, the "human capital" experiments of the Kennedy and Johnson administrations were either abandoned or curtailed, for the indirect method of capitalizing on housework was too uncertain. The State's idea in the 1960s was that by investing in the home (via welfare, food stamps, etc. ) women would do a proper level of housework with their children. But increasingly in the 1970s, the state was not willing to wait for the growing productivity of labor-power due to the human capital investment to produce the relative surplus value that would give a proper return to the investment.

As long as there was faith in the future, capital was willing to wait, sometimes a generation, to pick the fruits of the houseworkers' labors. However, the profit crisis showed that the future was in short order, it was no longer guaranteed. Thus, the surplus value of the housework had to be realized immediately, sucked up just at the moment of its exuding, rather than the next day in the reproduced line worker or the next generation in the new cohort of workers entering the labor marker. It is at this point that the energy crisis enters. Big Mother Nature is now used to squeeze little Mother dry. If Big Momma is stingy and has turned cold, capital turns to little momma: "Help me out or we'll all go down together."

As women refuse this deal, as they demand "too much" for their work, as they refuse to do it properly and efficiently, the energy crisis collapses. As this final veil falls, capital is faced with a working class untorn by the poles of sexual powers. An apocalypse indeed.

### **G. The Manifold of Work: Anti-Entropy Qua Information**

The female service worker meets her complement in the computer programmer and technician in the energy crisis. For while the most archaic forms of exploitation are resurrected by the energy price rise, at the

opposite pole there is an intensification in the development of the instrumentalities of information and control. Why the rise of the computation industry at the peak of the energy crisis? In order to understand this development we must turn again to the work/energy crisis of the late 1960s and early 1970s.

The overflowing of working class energy imposed an energy crisis on a number of counts. First, energy prices, which are *basic*, have allowed capital to tip the wage/profit ratio in its direction and increase the average rate of profit. Second, these prices are the vehicle for the reorganization of the organic composition of capital, making the realization of profits insensitive to "immediate" factory worker's struggles. Third, the price transformation has made it possible to directly extract surplus value from the reproduction work. But this was still not enough. The mere fact that women were increasingly employed in the low sector of the economy did not guarantee that this would turn into profit, into capital. The mere fact that auto plants are closed does not mean that cars and trucks are no longer produced, they are just made with fewer workers. Finally, the mere fact of investment in the high tech areas does not mean that this investment will pay off, for the high organic composition sector is very sensitive to breakdown, indeed, catastrophic ones. Thus the energy crisis imposes a new premium on information, control and communication (transfer). The enormous decentralization of employment in the service industry has required a new methods of *transferring* surplus value from one end of the system to the other. The expulsion of the mass factory worker reintroduces the drive toward robotization. Finally, the concentration of productive capital in complex machines requires an intensification of self-policing and *conservation* of capital.

To better understand the simultaneous rise of the information processing industry with the service industry, we must descend into the volcanic heart of capital: the work process. Work kills, and that is a problem, for capital needs to be able to reproduce the work process. Production is linear, but it must go around. There must be a mechanism of "eternal return" in the work process that will bring it back into the initial position (so that it can be done again). Work kills, but in each death there must be the seeds of its rebirth, a *cycle* of production *and* reproduction. As Mengele discovered, you can work a human to death in a few minutes, but you won't be able to do anything with the scraps except as art deco lampshades and inefficient fertilizer. Capital then must plan the reproduction of the work process on a continuing basis. As in Carnot's cycle, though only one stage accomplishes the thrust, the others are essential, to restore

the engine to a position where work can be done *again*.

To do without the reproductive part of the cycle is capitalist suicide. Moreover, as the example of the early post-Columbian silver mines and the Nazi work camps show, there is no "instinct for survival," only conditions and thresholds. Capital can only approach the thresholds of survival with the utmost caution: *suicide* always beckons at the margin of survival. The pleasure of a suicide that would rob the capitalist of his value becomes attractive to a worker when s/he can do nothing else.

To ensure the reproduction of production, however, it is not enough to reproduce the worker. Capital *too* must be preserved. Constant capital is an essential part of the production process which must be protected from workers' corrosive energies. Capital's drive to self-preservation and self-reproduction appears in the classical personality of the little capitalist: "the capitalist taking good care that the work is done in a proper manner, and that the means of production are used with intelligence, so that there is no unnecessary waste of raw material, and no wear and tear of the implements beyond what is necessarily caused by the work."<sup>21</sup>

The micro-capitalist is so concerned about his fixed capital because there is a constant threat of the worker who does the work "unintelligently," "sloppily" and is, above all, wasteful. For workers can not only kill themselves in times of frustrated struggles, they can always kill capital in its most embodied and vulnerable form: the machine. To control this most basic form of class struggle, it is not enough to bring the cycle back to the initial state, it is all-important to bring about this return without "waste," "wear and tear," "loss of work" and "depreciation." For not only is work "expenditure" of energy that must be "reproduced," this expenditure must be controlled so that the amount of work required to reproduce the initial state is not excessive. This problem becomes agonizing when the constant capital reaches certain critical points of concentration, if the possibilities of rapid depreciation are not thwarted, investment in constant capital is the source of an enormous dis-accumulation. This poses an exact limit on the energy price strategy. If the Low sector work is transformed into High sector capital and it becomes so concentrated and vulnerable that it can be immediately depreciated, the whole strategy collapses. Protecting constant capital is a primary function of the information/computation industry.

We have already seen the game that can wreck the "energy crisis" strategy in the case of the nuclear industry. Consider Three Mile Island (TMI). To make up for the late start-up of the plant, its managers ordered it to be run at higher than normal capacity (for nuclear plants) from the

beginning. Workers were often assigned to overtime and the intensity of "getting rid of the bugs" was beginning to wear. Then at 4:00 a.m. on an early spring morning a near meltdown. Thus, in the process of producing a few million dollars of extra profit in its first few months of operation, Met Edison is suddenly faced with the need of shelling out almost a billion dollars just to get half of TMI operating again, and that with some difficulty. Here we have a situation where the amount of work needed to bring the nuclear plant back to the initial state, pre-4:00 a.m. March 28, 1979, will be many times the work produced by the plant in the first place. In fact, given the general work environment in central Pennsylvania, including the surrounding class composition, one might say that in no way will the plant be brought back to its initial state. In TMI, we see that the energy crisis response to the class struggle is far from stable. Indeed, it introduces a novel form of class confrontation, or rather recalls the ancient "strife between workman and machine."

The *Accident* becomes a central category of the political economy of the energy crisis, but what is an accident anyway? Accidents are work situations in which the amount of work that goes into reproducing the initial state (of the work process) becomes extraordinary. Accidents demonstrate the mortality of the work process. But as the Kemeny Commission report, *Accident at Three Mile Island*, noted,

... the major factor that turned this incident in to a serious accident was inappropriate operator action, many factors contributed to the action of the operators, such as deficiencies in their training, lack of clarity in their operating procedures, failure of organizations to learn the proper lessons from previous incidents, and deficiencies in the design of the control room . . . The control room, through which the operation of the TMI-2 plant is carried out, is lacking in many ways. The control panel is huge, with hundreds of alarms, and there are some key indicators placed in locations where the operators cannot see them. During the first few minutes of the accident, more than 100 alarms went off, and there was no system of suppressing the unimportant signals so that operators could concentrate on the significant alarms. Information was not presented in a clear and sufficiently understandable form; for example, although the pressure and temperature within the reactor coolant system were shown, there was no direct indication that the combination of pressure and temperature meant that the cooling water was turning into steam.<sup>22</sup>

Here Kemeny, a co-author of the computer language BASIC, issues the latest edition of the old capitalist wail: "Workers are stupid, if only we knew how stupid they are, if only we knew!" Machines breakdown, that's bound to happen, they depreciate after all, but such breakdowns are only



"incidents"; what turns an incident into an accident is that the worker cannot or does not control the breakdown to bring the machine back to its initial state with no appreciable cost. The accident need not have happened. What stops accidents is immediately available knowledge, information and foresight, and, most important, communication. Consider the following:

A senior engineer of the Babcock and Wilcox Company (suppliers of the nuclear steam system) noted in an earlier accident, bearing strong similarities to the one at Three Mile Island, that operators had mistakenly turned off the emergency cooling system. He pointed out that we were lucky that the circumstances under which this error was committed did not lead to a serious accident and warned that under other circumstances (like those that would later exist at Three Mile Island), a very serious accident could result. He urged, in the strongest terms, that clear instructions be passed on to the operators. This memorandum was written 13 months before the accident at Three Mile Island, but no new instructions resulted from it.<sup>23</sup>

"If only we had told them, if only we made the new information part of our commands," goes the lachrymose bitching. But it is just bitching, as Kemeny knows, for though any *particular* accident, by definition, can be avoided, accidents *in general* are unavoidable. It is in the fact that not every process is reversible that time itself has a direction. There is a deep relation between accidents, information, time and work. Marx described this relation in the following way: the means of production created no new value; at best, their value is transferred and preserved in the product. Machines merely wear out or transfer their energy to the new form produced. The work process therefore has two components: (a) production of "fresh value" (both surplus value and the reproduction of variable capital), and (b) the transfer and preservation of the value of the means of production. As Marx points out, work must do both (a) and (b) at the same time; though for different reasons:

On the one hand, then, it is by virtue of its general character, as being expenditure of human labor power in the abstract, that spinning adds new value to the values of the cotton and the spindle; and on the other hand, it is by virtue of its special character as being a concrete, useful process, that the same labor of spinning both transfers the values of the means of production to the product, and preserves them in the product. Hence at one and the same time there is produced a two-fold result.<sup>24</sup>

There are no machine-machines that create value out of nothing, no *perpetuum mobiles*; further, the value incorporated in the machines is

continually wearing out, being transformed into "a new use value in which the old exchange-value re-appears." All the devices of the capitalist magicians end up as corpses, not even the most ingenious thought can add a cubit to capital's stature:

The technical conditions of the labor-process may be revolutionized to such an extent that where formerly ten men using ten implements of small value worked up a relatively small quantity of raw material, one man may now, with the aid of one expensive machine, work up a hundred times as much raw material. . . Such a revolution, however, alters only the quantitative relation between the constant and the variable capital, or the proportions in which the total capital is split up into its constant and variable constituents; it has not in the least degree affected the essential difference between the two.<sup>25</sup>

The work process not only must expand and be reproducible, it must *conserve* old while creating new work. Computerization of a production process creates no new value: however, it makes it possible to make the variable part smaller while guarding against the too rapid exhaustion of constant capital. It is the mechanization of the "little capitalist" mentality. No elements of the production cycle must be wasted, neither the time of the workers nor the time of the machines. Capital must make the cycle smooth, efficient and as close to "reversible" as possible, for it determines, in part, the rate of profit:

If the surplus-value is given, the rate of profit can be increased only by reducing the value of the constant capital required for commodity production. So far as constant capital enters into the production of commodities, it is not its exchange-value, but its use value which matters . . . the assistance rendered by a machine to, say, three laborers does not depend on its value, but on its use-value as a machine. On one level of technical development a bad machine may be expensive and on another a good machine may be cheap.<sup>26</sup>

Concurrently, each aspect of work has its peculiar repulsion. As far as the process of preserving and conserving the value of the means of production is concerned, the tactic of refusal is obvious. As constant capital increases with the development of industrialization, the gap between the value of the means of production and the part of the value used up during a unit cycle of production widens appreciably (think of the difference between an atomic power plant and a cotton gin). This leaves an enormous amount of capital *hostage* to the workers who have access to the machines. This intensifies with every new leap in the organic

composition of capital, which is why slave labor cannot be incorporated in a highly capital-intensive process. For the gap between variable and constant capital would grow so enormous, i.e., the balance between the value of the slave and the value the slave could destroy would become so precarious, the slightest gesture of revolt would force capital's retreat. Capital, however, has organized the work process of "free laborers" in such a way that the hostage drama is rarely played out (one remarkable example to the contrary was the Flint "sit-down," or, better, "live-in" in 1936.)

There is an enormous amount of work involved in ensuring that the value of the means of production is slowly, efficiently and carefully transferred to the product. Not only must a full fledged hostage drama be averted daily (for a Gdansk move is always beckoning); the invisible instants of revolt that continually pulsate through the work process, wearing out the constant capital beyond "what is warranted," must also be constantly thwarted. Thus Kemeny's lament beseeches "more care," "more policing," "better training," "better information display systems," "emergency planning." In a word, greater "efficiency," in the wearing out of enormously concentrated, volatile, perhaps "critical," pieces of constant capital.

Eternal vigilance is necessary to attain the circularity of a perfect production process. But a work process is never completely reproducible. There is always some little "blow-out," some little "fuck up," that makes returning the system to its initial state a work process also. Capital always dreams of a perpetuum mobile, work from energy without loss. But time is asymmetric, the future is not going to be like the past. Through our refusals, our insubordination, all the plans come to nothing, all the machines wear out, break down. Capital's contradiction is that the very agents that create the "fuck up" possess the energies it needs. Only we are in perpetual motion: eternally energetic, crafty, obedient, cowardly, insolent, revolting, but always in a motion that is the only source of work, development, *surplus*.

A parallel deduction of the need for a tremendous development of an "information" industry during the crisis arises from Thermodynamics, the late 19th century science discussed in the Introduction. The paradox that has troubled capitalist science since the First and Second Laws of Thermodynamics is that though energy is conserved, the energy available for work in a system diminishes. Energy comes in *ordered grades*, thus what is essential is not its quantity *per se* but its *structure*. Some types of energy can easily be turned into work while others cannot. The amount of raw energy in the waters of a calm lake might be enormously greater than that

of a slight wind blowing above it, but the wind can more easily be turned into work. The measure of the inavailability of energy for work is *entropy* which, within a closed system, increases to a maximum (the Second Law of Thermodynamics). This Law enshrines capitalist pessimism for it announces that the work creating process *degrades* energy invested in any and every system, including the human.

If we take a system as made up of millions of micro-particles, the Second Law can be rephrased as the constant tendency for an ordered structure of micro-particles to turn into a disordered chaos. In any system there is a constant "shuffling" of micro-particles due to their eternal random motion eventually breakdown of any highly ordered structure. Schrodinger<sup>27</sup> gave a telling example of such "shuffling" on the human plane. Imagine an unruly mob that assaults a library of computer tapes for the fun of it and, while not taking away or destroying the tapes, simply rips them off from their assigned places to play games with them. At the end of the party the tapes are *conserved* but their order is totally destroyed. Further, the work of recreating that pre-riot order is as real as the work of making new tapes and can be even greater.

The problem, according to this branch of capitalist science, is that Nature spontaneously loves Chaos; it is a perpetual upsetting of plans, orders and wearing down of accumulated work, just like the lazy, anarchic, drunken and riotous workers of the past. (If God is not on the side of the working class, certainly Nature is its darling.) Systems that apparently upgrade energy are eventually doomed; systems like the steam engine, or capitalism that transform energy into work ("upgraded" energy) are continually threatened with disaster, with accidents and the catastrophes of entropy invasion.

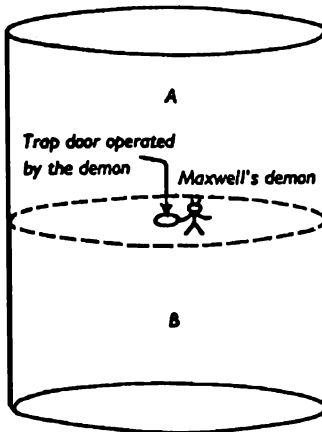
The Second Law shows a deep connection between time and accidents. Time is one-directional because work processes are not reversible, as there is always a positive amount of work necessary to return the system to its origin. However smoothly the fit is made between piston and cylinder, however carefully the emergency cooling systems are calibrated to switch on beyond a threshold temperature, there is always friction, and stuck valves. Accidents will happen that turn reversibly planned processes (potentially having an eternal return) *into* irreversible vectors leading to higher entropic states. They create time as flow to death, for time, as capital knows it, is not *just* flow but the dissolution of what has been accumulated: the death of dead labor.

The "unruly mob" of molecular agents causing the wearing down of low entropy (highly ordered structures) into high entropy (disorganized

fields) continually creeps in to create the conditions of the Grand Accident. Nuclear engineers may be right when they claim that the probability that a reactor core may become critical *by itself* is infinitesimal; but the probability of a stoned engineer, of a forgotten open valve, a sudden breeze shifting a candle's flame, are conditions that create the entropy for the Meltdown. That the molecules will win is the secret thought of capital. "Time is on their side . . . Time is them," whispers through the boardrooms . . . but something can be done, something that will allow them to hold on: *information*. If enough information is gathered and communicated rapidly, enough then time can be slowed down, perhaps indefinitely. Thus the cruciality of machines that can store and compute information at light speed.

Information about the location of low entropy systems is an essential part of the production process. As the parable of Maxwell's demon shows, a machine with "intelligence" or "information" can thwart for a time the operation of the Second Law. When Clark Maxwell suggested the parable, he intimated the possibility of perpetual-work machines based not upon some complex and ultimately foolish contraption, but on the application of thought and categorization. His demon works like a sorting machine in the midst of an eternal shuffle (see Graph #5).

Consider a perfect gas at an equilibrium temperature in compartment A. The particles of that gas are not all moving at the same velocity, though their *average* velocity remains constant. Some are moving faster than the average, some slower. Consider further an empty compartment B next to



Graph #5

the volume of gas A connected by a small gate *and* a gate-keeper. This gate-keeper is smart: s/he opens the gate only to the faster than average molecules. Within a short time the empty compartment is filled with molecules whose average velocity is higher than before, while the original compartment is filled with molecules whose average velocity is lower than before.

Thus A is cooler than before while B is hotter *and* if the two compartments were connected by a heat engine we could create work out of the temperature difference. At the end of the process the demon can create a new division between fast and slow molecules. Thus we have a recipe for a perpetual motion machine: just combine a steam engine with a sorting-intelligent machine! If you could only identify the irresponsible workers, if you could only identify the faulty parts, if you could just pick out the micro-acts of carelessness, *then* you would have a new cycle that could possibly go on forever, recycling, upgrading and reusing the used-up energy for work.

This scheme has a hitch, however: the demon must be able *to know* which of the molecules impinging on the gate are faster than the average and which slower. "Time can be turned back, if we know enough," capital pleads with the grim reaper . . . but the reaper replies, "You must work to know and work is death." Information is not free. True, it reduces entropy, but the process of its accumulation, retrieval and communication is a work process as well that is filled with entropic menaces which eventually triumph. The question is, "How soon?" As Weiner put it:

In the long run, the Maxwell demon is itself subject to a random motion corresponding to the temperature of its environment, and, as Leibniz says of some of his monads, it receives a large number of small impressions, until it falls into a "certain vertigo" and is incapable of clear perceptions. In fact, it ceases to act as a Maxwell demon. Nevertheless, there may be a quite appreciable interval of time before the demon is deconditioned, and this time may be so prolonged that we may speak of the active phase of the demon as metastable. There is no reason to suppose that metastable demons do not exist: . . . We may well regard living organisms, such as Man himself (sic), in this light. Certainly the enzyme and the living organism are alike metastable: the stable state of an enzyme is to be deconditioned, and the stable state of a living organism is to be dead.<sup>28</sup>

The work process can be saved from degradation by proper information decelerating the inexorable workings of the Second Law, if areas of low entropy can be found. But the search costs. Hence the explosion of the information industry, the emphasis on programming, the dissemination

of the microcomputer, and the crucial importance of another cost statistic: the costs of computation. For one of the most important developments in the crisis is the dramatic inversion of the energy price rises relative to the costs of computation.

This opens up the hope that the increase of entropy can be indefinitely held off, and a perfect circularity in the work/energy "interface" approached. Thus while the feminine service worker is to provide the emotional surplus labor necessary for accumulation in the high tech sector, the computer programmer is to be the eternally vigilant Charon, identifying the stable worker, the stable situation, the stable machine: separating the quick from the dead.

Hence the concern of programming industry ideologists with the uncodable, the deliberately unidentifiable and uncategorizable: *the Zen and criminal aspects of the struggle*. For it is exactly at this point that the very success of the strategy of the energy crisis makes quite crucial the ability to select, with a high level of certainty, the different gradations of entropy in the labor-power of the working class. Deception, conning, cheating and lying (i.e., all the self-reflexive moves of the slave) become problematic. Consider the polygraph tests given to more and more workers. They attempt find out who is the low entropic worker via interrogation coupled with the detection of sweat production and blood pressure. But increasingly workers with training in meditational processes are beating the machines and sailing to positions of responsibility in, of all things, programming. Again, and always, the problem capital faces with the new Maxwell's demons of the crisis is: "Who will select the selectors?"

#### H. The Manifold of Work: Anti-Entropy Qua Shit

Entropy can be reduced by information, i.e., by locating pockets of low entropy and incorporating them into the work process; the inevitable reduction in the availability for work can be held at bay. The more the information *and* the less the cost of creating it and communicating it, the more the stalling of Time. But this process can be *reversed*, i.e., the increasing entropy within a work process can be localized *and* expelled. Every production process shifts; the question is, "Where is it going to be put?" If this shit, i.e., the material, social, physiological, radioactive, psychological waste that cannot be re-swallowed and re-cycled, is allowed to remain in the vicinity of the production process, each new cycle of production will intensify the entropic rise exponentially. The reproduction of the machine cycle will be clogged by the left over shit, and the costs of returning to the

initial state will be so overwhelming that it will outpace the work produced by the thrust stage of the cycle. The net work will fall into negativity, and needless to say, profit will be in jeopardy.

This aspect of capital's struggle against entropy involves the possibility of ejecting areas of high entropy into the surrounding environment without effecting the net work production. For not only must waste be controlled and accidents prevented (the job of the computer controllers); if waste must be created, if little murders must be condoned, then it is crucial that the shit be localized and expelled. The corpses must be buried or burned. We have the final aspects of work: the passive work of absorbing capital's wastes. For in addition to the work of producing, reproducing, informing and controlling, there is the immense work of absorbing, imbibing capital's shit. Not only is capital concerned with transferring as much of the value of the means of production to the commodity product without waste and accident. The work process necessarily also intensify the entropy of its local and global workers. Marx comments on this aspect of work:

Capitalist production, when considered in isolation from the process of circulation and the excesses of competition, is very economical with the materialized labor incorporated in commodities. Yet, more than any other mode of production, it squanders human lives, or living labor, and not only blood and flesh, but also nerve and brain . . . Since all of the economizing here discussed arises from the social nature of labor, it is indeed just this directly social nature of labor which causes the waste of life and health.<sup>29</sup>

Capital is more finicky than a cat when it comes to shitting. The whole debate on the location of nuclear plants is an example of this sensitivity, for there are complex considerations arising from the class composition to be found in any particular location. Will they riot if there is an accident, will they get nervous about the transport and spillage of used uranium, will they get "hysterical" when cancer rumors and chromosome damage reports begin seeping in, are they desperate enough to take the tax write-offs but not so desperate that they won't care and will explode anyway? Certainly it was *no* accident that TMI was located in the center of the heartland of patriarchy in the U.S.A., surrounded by phallic silos, bearded Amish Jobs and state employees.

At the same time, when capital discovers high entropic sinks in the production process, the expulsion is swift and violent. Need we refer to the execution of workers throughout capitalist development? Why is capital murdering its own labor-power? Why the Auschwitz's and Chile's? Quite



simply because certain types of labor power becomes too entropic for production, they become living shit for capital that must be eliminated. Of course, the direct slaughter of workers is just the most dramatic event in the never ending struggle of capital to beat the odds. The endless string of methods to identify high entropic workers, "weed" them out, "blacklist" them, jail them, starve them and kill them, gag us now, it is too much past midnight! But if there is an institution for localizing, expelling and exterminating entropy, the "criminal justice system" is the one. Its function: to rid the production process of the "elements" that are completely unavailable for work.

There is, however, the work not only of locating high-entropy, and the work of expelling it, there is finally the job of absorbing it. Consider the "jumper." The disintegrating, entropic aspect of the reactor core of a nuclear plant is the radiation that does not go into the production of heat but "escapes." One of the main jobs of the nuclear worker is to absorb this entropy.

There are nuclear workers whose job is just that: to suffer the shit out of the reactor. This is the part-time jumper hired to be sent into areas dense with radioactivity and absorb the full "quota" for radioactivity (absorbed by a regular worker in a year) within a few minutes. He picks up his \$100 after twisting a valve and disappears, perhaps to return in a few months, perhaps to discover a suspicious lump ten years later. The "jumper" is an extreme figure, an ideal type; but certainly the *proliferation of chemical and radioactive dump sites across the country has made "fallers" of us all*. For it is apparent that the "squandering of human lives" does not occur only *within* the gates of the nuclear plant or chemical factory, but is as "social" as the labor that produces the radioactive electricity and poisons.

As we are dealing with the asshole of capital, we inevitably must deal with all that is most foul, decaying and frightening: corpses, cancer, executions, slavery, the Gilmorean joke. It is at the lowest level of the institutional hierarchy, at the bottom of our fear as to what they are doing to us, that the basic profit level is guaranteed. It is not because of any melancholic humors that we have wandered here; it is exactly in these dumps of matter, body and nerve that you find the famous "bottom line." It's all in the physics: the efficiency of a heat engine is not only proportional to the work it produces, but is *inversely proportional to the entropy it creates*. The less the entropy the greater the "efficiency," hence the greater the work/energy ratio: the profit.

Prisons are as integral to the production process as the gas that makes the engines go, as the caress that sends one off to the plant, as the print-

out that tells you of your fuck up. For if there were no dumps of labor-power and constant capital, no way of eliminating entropic contamination, the system would stop. Of course, the capitalist idea is not to end the shit but to control it, dumping it in isolated, unobjectionable places, on unobjecting or invisible populations. *Thus with the energy crisis comes the death penalty.*

This is the last element of the profits crisis and the last reason for the energy crisis response. As the working class through the 1960s and 1970s has increasingly refused to be the dump of capitalist shit, the collective sewer of its entropic wastes, some antagonistic compulsion was in order. Energy price rises immediately put this refusal to absorb the shit on the defensive, for the high cost of energy seems to justify the need for entropy control and for expelling highly concentrated entropy deposits from the production process. Thus the explicit and implicit anti-nuclear movement meets its response: nuclear plants can only pass once energy prices go up. But once Teller's system of nukes and coal electrification is introduced, then the intensification of the mechanisms of control and information in the production process are inevitably realized. Finally, only with such increased prices (imposed by the very investment in this High sector), can the "need" for accepting the disintegrating excretions of the plants be forced down the throats of the surrounding populations. The rate payers of TMI are financing the repair of the plant with increased electricity bills, and the state's increasing pressure to open up the radioactivity dump sites throughout the country is felt by all.

### I. The End of the Apocalypse

We began with the end of world, the Apocalypse. All the noise of capitalist prophets has taken as the cause of the impending catastrophe the problem of energy: either too little (the anti-limitationists) or too much (the interactionists). Even the "revival" of "nuclear holocaust" thinking of the unthinkable takes energy as the trigger of the Bomb, for invariably it is seen as the most pressing Natural scarcity. The scenarios of nuclear war obsessively turn to the Gulf of Hormuz, for there appears here an inevitable source of international antagonism. When faced with a fundamental scarcity, the only way to move, according to the anti-limitationists, is to face the possibility of a military confrontation and prepare for it. On the other side, the interactionists warn that if we want to escape the threat of nuclear war, we must retreat to a "clean," "stable state" economy autarchic enough to remove the need for such a confrontation. Both sides accept the "problem" as a collection of, at base, "natural brute facts."

Now the facts might be brute enough, but they are not “natural.” Whenever capital announces a new apocalypse, we must see that the culprit is not Nature, the Bomb or some autonomous bureaucratic drive to “exterminism.” Capital’s Apocalypse is the inverse image of the struggle against it, as it reaches critical proportions. For you don’t fight shadows with shadows, you don’t walk about “delicately and non-provocatively” for fear of setting off the irrational Beast. At the root of all the missiles, bombs, atomic power plants, all the “idols of the theater” that capital displays so provocatively, is the struggle against capitalist accumulation, against a life dominated by work and exploitation. This struggle is the source of the current Apocalyptic Rumors and this struggle can end them. What ended the Bomb Apocalypics in the early 1960s? It was by no means the rhetorical battle between pro- and anti-bomb movements. Capital had to demote the Bomb because the class movements in the early 1960s made it clear that they would not be intimidated by all this nuclear rattling. The riots in Watts, the revival of wildcats in coal, the refusal to accept Civil Defense regimentation even after the exercise of the Cuban crisis, made it clear to the Kennedy and Johnson administrations that the Bomb had begun to loose its hold. The grip of terror could not constrict the new class movements, their desires and disguests.

The same holds for the present. The Four Horsemen of the Apocalypse, “given a fourth of the earth, to kill with the sword and with famine and with pestilence and by wild beats,” can only be stopped by the development of the very struggles that unleashed them. Any “solutions” to the Energy crisis that attempt to by-pass the struggle, whether Teller’s electro-nuclear path ringed with missile silos or the Odum’s “alternativist” path of agricultural homeostasis and defensivism, merely repropose the crisis. As we have shown, capital can not do with either Teller or the Odums alone. *The seemingly opposing utopias of High and Low organic composition necessarily complement each other, indeed, they potentiate each other.*

Capital has turned the world upside down to deal with the struggle against work, against the muscle, heart, nerve and asshole of capital.

Against the four levels of work:

- the relative exploitation of the factory;
- the absolute exploitation of the housework;
- the reduction of entropy via smoothing of the work process with the detection of low entropic pools;
- the reduction of entropy via the expulsion of high entropic wastes.

We have seen the corresponding levels of struggle:

- refusal of “productivity deals” on the assembly lines;
- disintegration of the family and the reproductive apparatus that keys workers into the production process;
- refusal to accept the entropy sorters of capital, e.g., in the education system and through the intensification of “crime”;
- refusal to passively absorb the expulsion of capital’s shit into the bio-social process of reproduction, e.g., the struggle against prisons and radioactive dumps.

All these forms of refusal *directly* caused the profits crisis and the subsequent “Energy Crisis” restoration of profitability. These struggles, however, remain intractable whatever the total “apocalyptic” attack that capital has confronted them with. As Polish workers have shown, the only way to confront the missiles is to demand more and juicier sausages: “Only those who strike eat meat.”

November 1980

### Notes

<sup>1</sup> C. Gillespie. *The Edge of Objectivity* (Princeton: Princeton University Press, 1960), p.376.

<sup>2</sup> Ibid.

<sup>3</sup> Quoted in J.C. Leventon, *The Mind & Art of Henry Adams* (Boston: Houghton Mifflin Co., 1957), p.377.

<sup>4</sup> Edward Teller, “Energy – A Plan for Action” in E. Teller, H. Mark, J.S. Foster, Jr. (eds.), *Power & Security* (Lexington, MA: Lexington Books, 1976), pp.1-82.

<sup>5</sup> Howard T. Odum, Elisabeth C. Odum, *Energy Basis for Man and Nature*, (New York: McGraw-Hill, 1976).

<sup>6</sup> W.D. Nordhaus, “The Falling Share of Profits,” *Brookings Institute Papers* (Brookings Institute, 1975).

<sup>7</sup> What of race? we agree with the wages-for-housework analysis: the essence of racial (as well as sexual) division is to be found in the hierarchy of wages, and it was indeed that hierarchy that the black movement attacked most directly in the welfare women’s movement, in the formation of black factory unions and caucuses, in the youth gangs and “parties” of the ghetto streets. The explosion of black women, men and youth attacked the Keynesian model of accumulation at its heart, since the thrust was from the largely unwaged sector. Cf. Maria Rosa Dalla Costa and Selma James, *Power of Women and the Subversion of the Community* (Bristol, Eng.: Falling Wall Press, 1972), for the seminal work on this matter.

<sup>8</sup> Quoted in B.J. Widick “Work in Auto Plants: Then and Now,” in *Auto Work and its Discontents* (Baltimore: John Hopkins U. Press, 1976), p.10.

- <sup>9</sup> N. Bukharin, *The Economic Theory of the Leisure Class* (N.Y.: AMS Press, 1970), p.31.
- <sup>10</sup> K. Marx, *Grundrisse* (N.Y.: Vintage Books, 1973), p.700.
- <sup>11</sup> Bohm-Bawerk, "Control or Economic Law," in *Shorter Classics of E. Von Bohm-Bawerk* (South Holland, Ill.: Libertarian Press, 1962), p.192-193.
- <sup>12</sup> P. Sraffa, *Production of Commodities by Means of Commodities* (Cambridge, Eng.: Cambridge University Press, 1960), p.9.
- <sup>13</sup> D. Ricardo, *Principles of Political Economy and Taxation* (N.Y.: MacMillan Co., 1914), p.80.
- <sup>14</sup> K. Marx, *Grundrisse*, p.705.
- <sup>15</sup> *Ibid.*, p.706.
- <sup>16</sup> P. Sraffa, *Production of Commodities*, p.7-8.
- <sup>17</sup> K. Marx, *Capital, Vol.I* (International Publishers, 1967), p.645.
- <sup>18</sup> *Ibid.*, pp.170-171.
- <sup>19</sup> S. Federici, "Wages against Housework," in E. & B. Shapiro (eds.) *The Women Say/The Men Say* (N.Y.: Delta, 1979), p.57.
- <sup>20</sup> K. Marx, *Capital, Vol. I*, p.200.
- <sup>21</sup> A free copy of Midnight Notes to the Marxologist who can spot this quote.
- <sup>22</sup> John G. Kemeny, Chairman, *Report of the President's Commission on the Accident at Three Mile Island* (Washington, D.C.: 1979), pp.11-12.
- <sup>23</sup> *Ibid.*, p.10.
- <sup>24</sup> K. Marx, *Capital, Vol. I*, p.200.
- <sup>25</sup> *Ibid.*, pp.210-211.
- <sup>26</sup> K. Marx, *Capital, Vol. III* (Moscow: Progress Publishers, 1966), p.88.
- <sup>27</sup> Schrodinger, one of the founders of quantum mechanics in 1944, drew the connection between genetics and information.
- <sup>28</sup> N. Weiner, *Cybernetics* (Cambridge, Mass.: MIT Press, 1965), pp.58-59.
- <sup>29</sup> K. Marx, *Capital, Vol. III*, p.88.



## AUDIT OF THE CRISIS

*Monty Neill*

THE "ENERGY CRISIS," CAPITAL'S RESPONSE TO THE CRISIS IMPOSED BY CLASS struggle internationally, planned a recomposition of terrestrial accumulation based upon a reshaping of the hierarchy of labor powers. The oil price hikes enabled an increase in the surplus share of value (brought about by a reduction in the class wage of US workers in particular) and a shift in who obtained the surplus (the energy multinationals, the banks and the oil-export states). The accumulation materialized largely as modernized and expanded production capacity on four locales: in Eastern Europe, particularly Poland; in the Middle East, most importantly Iran; in the Far East export states, Taiwan, South Korea, Singapore, Hong Kong; and in selected Latin American nations, both oil exporters (Venezuela, Mexico) and manufacturing export states, particularly Brazil with its large (through relatively underdeveloped) domestic market. In this circulation of productive value, debts began to escalate rapidly to fuel a "development" boom. With the increase of commodity and capital imports in Third World states and the expansion of their exports, trade with the US, Western Europe and Japan increased all around, pushing interdependency among nation states as capital itself became more international on a wider and deeper level. The flows of money capital sped up and their mirror image, expressed in large-scale immigration, intensified especially in movements within the Third World, e.g., Southeast Asian workers being drawn into the oil fields of the Persian Gulf.

However, this plan for a new cycle of development collapsed in 1979. This report, written on the eve of the tenth anniversary of "The Crisis," will give an accounting of the consequences of the 1979 collapse and the prospects of a capitalist "recovery." Our examinations were made in

accordance with generally accepted struggle auditing standards and, accordingly, included such tests of struggle records and such other auditing procedures as we considered necessary in the circumstances.

### Balance Sheet, 1979

In the first phase of "The Crisis," between 1973 and 1979, the US working class appeared to be the "weak link" in the international struggle cycle. But even in the US, wage demands re-escalated after the "oil price induced" recession of 1974-75, revealing that the "inflationary wage pressures" had not been sufficiently tamed, both in its old strongholds in assembly-line manufacturing and mining and in the social struggles of women, gays, anti-nukers, etc. European and Japanese wages, on a class level, had reached rough parity with the US. All through this period, a persistent wage struggle continued across Europe, despite some sharp defeats in Italy, imposing a developing profits crisis. In this period, the hoped for positive shift in the profits/wage ratio was at best marginal. Thus, capital became increasingly dependent upon the success of its plans for accumulation in Eastern Europe, Asia, Africa and Latin America. But it was exactly in these areas that capital discovered its greatest liabilities:

- Iran was the most important. This focal point of capitalist strategy exploded in its face, removing not only billions of dollars of investments but, more importantly, revealing a deep "refusal of development" by the Third World proletariat that had been most prized. That the revolution of technicians, industrial workers, "lumpen" city dwellers and peasants turned on each other, and all attacked women and gays, was certainly a great relief to capital. Khomeini's counter-revolution revealed quickly that Islamic fundamentalism did not threaten capitalism even on a regional scale and, if anything, blocked and repressed insurrectionary pressures throughout the Middle East, e.g., the Israeli obliteration of Beirut presupposed the massacre of the Iranian revolutionary youth and the Iran-Iraq war. On balance, the revolution of February 1979 was, as we accountants say, a "mutual destruction of classes," but it definitively showed that the "oil crisis" model of world accumulation could not go ahead as planned.
- The plan, jointly held by East European state capital and Western international capital, to use presumably disciplined, low-waged East European workers for accumulation on a more "modern" basis



was destroyed by the Polish workers' revolt of 1980. Again religion, in this case Catholicism, helped stalemate the revolt, while the Western banks and the immediate threat of Soviet "tanks" confined it. But Poland deepens in its non-profitability as the Polish workers demand and get seemingly perpetual subsidies from western and eastern capital. Certainly, the Gdansk revolt spilled over into Russia and has put "development" possibilities in question there, for all of Andropov's raids on Turkish baths at 10 a.m.

- Events of 1978 and 1979 upset both sides of capital's plan in Africa and Latin America as well. The victory of the Sandinistas in Nicaragua overcame the terror left by the Chilean coup that began "The Crisis" and created a momentum that threatened to ignite a region-wide civil war which, if started, would not necessarily be kept south of Mexico's oil fields and north of Panama's canal. While across the South Atlantic, the successful war in Zimbabwe deepened the threat to the one major center of accumulation and high profits in the continent, South Africa.

These revolts and civil wars were crucial for the "crisis" not only because of their temporal coincidence and their spatial dispersion. They destroyed the very hierarchy of labor powers that the "energy crisis" was to produce: the integration of socialist labor was blocked (Poland); the creation of oil money base export economies was aborted (Iran); the repression of "basket case" countries was overturned (Nicaragua, Zimbabwe). The balance sheet of 1979 was definitely in the red. Combining these defeats with the lack of definitive halts of wage increases in Europe, Japan and the US forced capital to end the tactic of "oil crisis." True, the working class internationally has not been powerful enough to use these assets to generalize and escalate the level of struggle, for these victories were partially blocked even in locales of highest immediate success (e.g., the very Iran, Poland, Zimbabwe of our inventory). Indeed, capital had to deepen the crisis in order to attack the working class where it showed strength to prevent the "spread of insolvency." Capital's solution was the "global slowdown."

#### **The Global Slowdown:**

#### **Send Lawyers, Guns and Money, The Shit Has Hit the Fan**

The Depression of 1980-1983 was capital's answer to the failure of the "oil crisis" to reshape world organic composition and the hierarchy of

labor powers. It was quite consciously induced by Carter's appointee to the Fed, Paul Volker, beginning in the fall of 1979 with the steep climb of interest rates. All this was done with the blessings of international capital to accomplish several aims:

- Capital saw the necessity to conclusively write-off the old power centers of the US working class while lowering the class wage bill still further; particularly for the lowest categories, women and children on "welfare." The object: "austerity." The meaning: an indefinitely lowering "standard of living" in exchange for the intensification of work and social discipline, deepening the divisions and competition within the working class.
- The "slowdown" was to be a mechanism to slow and reverse the wages spiral in Western Europe where social struggles had rapidly escalated reaching a peak with the post-1968 generation's increasing "refusal of work." The strategy also sought to pit "native" against "immigrant" workers, often succeeding with the complicity of the Left (e.g., the French CP's anti-Algerian actions). Japan, too, "needed" a wages slowdown.
- Since Iran had revealed that oil-price fueled capitalist transformation could be massively subverted, that type of transformation had to slow. Depression in the US and UK, recession in Japan and Europe curtailed the flow of value to the oil producers. Oil company profits were lowered, but so was the risk. This strategy also enabled the intensification of divisions within African and Middle Eastern regions, e.g., the Nigerian expulsion and slaughter of Ghanaian "guest workers."
- The acceptance of defeat by the US working class expressed itself, in part, as increased chauvinism (against Iran, for example) and an inability to go beyond the coat-tails of the liberal bourgeoisie. This smoothed the way for increased militarism, including a vast expansion of military aid to El Salvador, Guatemala and Honduras, supporting South Africa against SWAPO in Namibia, openly organizing counter-revolution in Nicaragua and Angola.

The problem, however, had been that capital had not been able to solve its problems militarily. The US could not "send in the Marines" to Iran, Zimbabwe or Nicaragua. The power of such intervention is its concentration, its targeted repression. If the US could have responded to the Latin

American or African situations militarily, its plans would not have been so undermined on a world scale. Though surely the US had the technical means to attack these struggles, it was politically blocked both domestically and regionally. Thus the tool of attack became money. The combination of high interest and global slowdown created a different form of repression, however. Money is unlike military intervention since its very universality and abstractness make it difficult to confine geographically. As a consequence, the money squeeze not only attacked the trouble centers, but also the Latin American, Asian and African export centers which were relatively under control, trouble-free and profitable. The form of the crisis, instead of becoming a global war, has been a "debt crisis."

### The International Debtor's Prison

When capital responded with the "global slowdown," the nations which had played their part in the "oil price" strategy by importing capital at exorbitant prices found themselves unable to meet the payments as the market shrank for their goods. The amounts owed are now immense, totalling \$650 billion or more, much of it owed to private western banks, the remnants of the recycled "petrodollars." Not only are the amounts huge, but the payments due often exceed export earnings. *De facto* default has been entered into by Poland, Mexico, Argentina, Brazil and Romania, with more sure to follow.

What, really, does this mean? Is it the imminent collapse of the world money and banking system? Many accountants of the class struggle think so, for they believe that capital will follow its own rules. But in this, they are mistaken. For accounting is in the "realm of appearance" and its rules can be changed to express deeper imperatives.

One problem, as Henry Kissinger noted, is that "a blow up is certain sooner or later if debtor countries are asked to accept prolonged austerity simply to protect the balance sheets of foreign banks." Argentina already has refused to do so; in November 1982, it unilaterally announced it would convert \$5 billion of debt into five year bonds at low interest, and the banks accepted it. In December, riots led to wage and unemployment benefit increases in defiance of IMF austerity measures previously accepted by the government. In January 1983, Jorge Triaca, a leader of the Argentine General Labor Confederation, stated, "If there are no signs of recovery, Buenos Aires will be Beirut in six months."

Argentina is not alone. The Sergeant's coup in Liberia was preceded by food riots. Both of Rawlings' coups in Ghana followed unrest over the

economy. Strife in Mexico over land has been endemic, and the deep fear is that Indian unrest in Guatemala could spread to southern Mexico. In Brazil's recent rigged elections, the opposition won the popular vote overwhelmingly, etc., etc.

In response, capital's thinking has moved in several directions. One is to "rationalize" debt. IMF austerity programs have come in for criticism from many sources as being counter-productive. The absence of a sufficient mechanism to organize the restructuring of debt has been bemoaned incessantly. Whether the IMF can be re-shaped to catch up to modern needs or whether a new organization must be created is a point of debate. That this form of crisis should be the occasion for a higher level of world capitalist organization and planning, here through the monetary system, is widely accepted. Fundamental agreement on these points has been indicated by Kissinger, US Treasury Secretary Regan, former New York City Municipal Assistance Corporation (MAC) head Felix Rohatyn, Citibank's Walter Wriston, Norman Easley of the US National Security Council, liberals and conservatives *ad nauseam*.

But as we have seen the root problem is *not* the lack of capitalist planning, but rather the lack of control over the working class. The real discussion is not over monetary mechanisms *per se*, but over *who will pay the debts*.

The possibility of a debt cartel is thus presented as a threat (Kissinger, *Business Week*) or a hope (elements of the Left). In fact, capitalistically speaking, whether one negotiator or many sit at the table and which is preferable is merely a tactical issue. The OPEC cartel in unity served accumulation well at one stage; in disunity it now serves as well the strategic slowing of accumulation needed for the restructuring of accumulation. That a debt cartel may obtain a better deal for its members and that this better deal may become a better deal for the working class of the various nation-states is by no means certain. Who will pay will emerge from the struggles within and between the working class and capital outside the conference room and table.

The amount owed in debt, that claim on future labor power, less a deduction for a decline in inflation, leaving principle and 'real' interest (the minimal cost, plus profit), must be paid by someone. For workers to pay the costs means lower real wages; for capital, lower profits. The proposals being floated by World Figures suggest a long spread-out of the debt, a lowering of interest (a "write down") to be at least partially subsidized by governments (directly or via agencies such as the IMF and the World Bank), and perhaps tying the payments to a fixed percentage

(24-35 percent) of a nation's export earnings. What these proposals mean is that the share of the debt to be paid by the working classes and capitals of these debtor nations is to decline (though still remain exorbitant, intensifying struggle over who is to pay what portion of this share). The banks, and behind them the Arab rentier states, are to accept lower profits (especially the rentier states). The balance is to be paid by governments of the west, which will throw the payment question into a struggle between workers and capital in the creditor nations and between the creditor nations as to which are to try to extract the most from their workers. The "negotiations" will obviously be quite delicate, for lawyers always follow the guns and money.



PART THREE  
THE NEW ENCLOSURES  
1982-1992





## RAMBO ON THE BARBARY SHORE

*George Caffentzis*

*From the halls of Montezuma  
to the shores of Tripoli . . .  
— US Marine Corps Hymn*

THIS IS THE TEXT OF A SPEECH GIVEN ON MAY 10, 1986 IN A CAMPUS SYMPOSIUM AT the University of Calabar (Nigeria) on US policy in Africa, with special reference to the then recent bombing of Tripoli and Benghazi which sparked many student protests in Nigeria, especially in the largely Islamic North. There was much sympathy for the Libyans; their country is, after all, the other major OPEC member in Africa, an oil price “hawk” instrumental in the oil price “shocks” of the 1970s (which made places like the University of Calabar possible), a Muslim state and an ancient terminus of a trans-Saharan trade route originating in Nigeria. Qaddafi was not a lunatic-transvestite-terrorist to the majority of students. On the contrary, the Libyan bombings further confirmed to them the Reagan regime’s hostility to Third World political independence that Qaddafi represented. Not surprisingly, the most aggressive anti-US protest was in Kaduna (in Northern Nigeria) where students, predominantly from nearby Ahmadu Bello University, surrounded the US Consulate, rushed past the guards and burned the US flag.

My speech, “Libya, the Oil Price and the US Polled,” aimed to show the necessity of the bombings (from a capitalist perspective) and to explain how they were possible (given the condition of the US proletariat in early 1986). In order to amplify and contextualize the speech’s analysis, it is preceded by a few comments (written two years later) on the consequences

of the bombings in Nigeria, their US precedents and the subsequent revelations of the US-Iranian "arms for hostages" deals.

## I

At the time of this writing (early 1988), the real price of petroleum is below its pre-1973 level. The mathematical reason for this is simple. Since late 1985 there has been a 50 percent decline in the nominal price of oil in dollar terms and a 50 percent decline in the exchange rate of the US dollar with respect to the other major world currencies. The "fall of the dollar" meant the end of Reaganomics, and the collapse of oil prices put "paid" to all the theories that explained the 1970s' "energy crisis" as a product of resource scarcity. If the dollar and the oil price had not collapsed simultaneously, then the US would most probably have gone into a recession in 1986 or 1987. Let us consider two scenarios: (A) petroleum remained at its real dollar value (in 1985 terms) as the dollar fell in the exchange markets; and (B) petroleum remained at its nominal 1985 price of \$28 per barrel. We can generate Table 1:

Trade deficits in the range of those calculated for scenario (A) as well

Table 1

	Scenario (A)	Scenario (B)
(1) Actual trade deficit 1986	\$144b	\$144b
(2) Actual trade deficit 1987	\$160b	\$160b
(3) Actual oil price 1986	\$13.50pb	\$13.50pb
(4) Actual oil price 1987	\$17.50pb	\$17.50pb
(5) Hypothetical oil price 1986	\$44.00pb	\$28.00pb
(6) Hypothetical oil price 1987	\$50.00pb	\$28.00pb
(7) (5)-(3)	\$30.50pb	\$14.50pb
(8) (6)-(4)	\$32.50pb	\$10.50pb
(9) Hypo. increase in trade deficit 1986	\$73b	\$35b
(10) Hypo. increase in trade deficit 1987	\$73b	\$24b
(11) Hypo. trade deficit=(1)+(9)	\$217b	\$179b
(12) Hypo. trade deficit=(2)+(10)	\$233b	\$184b
(13) Two-year hypo. increase in deficit	\$146b	\$59b

as the increased US domestic inflation rate (in response to what amounts to another oil price “shock”) would undoubtedly have lead to an increase in interest rates and, according to most standard bourgeois theories, a recession. The effects of scenario (B) would have been milder, but they may well have been substantial enough to threaten a recession. That is, Reaganomics would have ended with a bang and not a whimper, as it did in 1986-87.

What act of grace made this relatively orderly retreat from Reaganomics possible and where did it emanate from? Was it from the stern hands of the Calvinist God who has been made so fat with electromagnetic tears, rants and sacrificial gelt of Reagan’s fundamentalist allies? Hardly. The amazing grace shot straight from the home of Allah: Saudi Arabia. For the Saudi oil minister made the decision to drastically increase Saudi Arabian oil production in late 1985. The result: the oil price was below \$10 in the summer of 1986, giving the US additional time for adjustment.

Why such ecumenical zeal in Muhammad’s embrace of Calvin? Why should the children of the Prophet deprive themselves to secure the salvation of the infidel? But halt . . . let us be a bit dialectical. The Saudi Arabian ruling class only sits on top of the oil fields, its wealth is no longer determined by that oil and its sale. Through its investments in the US and Europe (largely as a result of the recycling of the famous 1970s “petrodollars”), the Saudis are now more dependent upon the collective health of Euro-American capital than upon the immediate sales receipts of petroleum. A recession in the US or Europe would have a more decisive effect on those subtle smiles in Riyadh than a gyration in the oil market. A mere whispered prayer from Reagan would have been enough to convince them of the need for an oil price collapse.

## II

This “need” was predicated on the fall of the dollar. Why did the finance ministers of the major capitalist nations agree to this fall in Seoul in September 1985? The main interposing events for us were the insurrections in the crossroads of South Africa.

The struggle of the “comrades” was so infectious that it touched off a series of sit-ins and demonstrations in the US in 1984-85 (recounted in *Midnight Notes #8*, 1985) for corporate disinvestment from and an economic boycott against South African capital. For the first time in the Reagan period, the campuses and official by-ways were “hot.” It proved, however, rather easy to stop this phase of the US movement. On May 13, 1985 a bomb packed with C-4 explosive was dropped on a MOVE house

in Philadelphia. Six adults and five children were murdered that day at 6221 Osage St., while sixty-one surrounding row houses were totally destroyed or gutted by the bomb, leaving 250 people homeless. All the dead and homeless were African-Americans.

It was a terrible test . . . and American officialdom waited to see what would happen. The Black movement and the anti-apartheid student movement in the US "passed" the test and effectively accepted the government's pronouncement that MOVE was an "urban terrorist" group deserving massacre. What was angrily rejected from the mouth of Botha and Buthelezi passed like honey from the mouth of the FBI (which supplied the C-4 explosive) and Black Philadelphia mayor Goode, viz., that there were good Blacks and bad ones and the latter were to be totally annihilated. The MOVE bombing did for the disinvestment movement what the Kent State-Jackson State massacres did for the anti-Vietnam war student movement: the state drew a definitive line beyond and within the movement which the movement could not cross. The success of the MOVE bombing (dead babies and all) made the decision to bomb Tripoli and Benghazi a matter of drawing a simple corollary for Reagan and company a year later.

In South African townships, where MOVE bombings were a daily affair, the insurrection drove forward, deepening the South African economic depression. By 1985 the rand collapsed on the international money market, the price of gold dropped to \$330 per oz. (compared to \$800+ per oz. in the late 1970s), the trade deficit was \$5.5 billion, agricultural production was 33 percent less than in 1984 . . . and the loans that South African government took out to help them ride out the early 1980s recession were coming due.

In August 1985, in the midst of a "state of emergency," South African capital decided to play a game of "chicken" with international capital by declaring a debt payment moratorium. With the "Third World Debt Bomb" about to explode, the South African moratorium was a decisive gamble. The Reagan administration had to choose: Either to tighten the financial screws, thus threatening the financial foreclosure on South African capital and reducing its resistance to the Black struggle; Or to accept the moratorium by easing the terms of payment, especially by reducing the value of the dollar.

Why should South African debt cause such a crisis? Brazil, Mexico, Argentina and Nigeria did not. The answer does not lie in the so-called "strategic minerals" of the South African soil. Rather, South Africa is the self-conscious golden temple of the Nazi organization of labor power

dominating the planet. If the temple were desecrated by a successful Black revolt, the demoralizing ideological and political-economic effects could be catastrophic for world capital (for example, it might stimulate the demise of the crypto-gold standard). The struggle in South Africa is not the last anti-colonial struggle, it is the prime anti-"post-modern" struggle and hence one Reagan and his class cannot afford to lose. That is why in September 1985 Reagan had to derail his whole accumulation strategy . . . on that "day the dollar die" so the dollar could live again.

### III

Saudi Arabia, in the short run at least, could decisively set the world petroleum price alone. It is the "swing" producer, but it is not located on the tip of the crescent moon. A huge, sparsely populated country with its oil work force made up of Shi'ites and Palestinians, it is surrounded by a "sea of troubles." Shi'ite Iran across the Persian Gulf, South Yemen to its southern borders, Ethiopia and Africa in civil war to the west, and the Palestinian struggle to the north. This sea swells in once a year during the hajj, and millions of troubled pilgrims pour over the political dikes into Mecca. How can Saudi Arabia's rulers protect themselves from the reaction of the two OPEC "hawks," Libya and Iran, when it pushes the oil price into the abyss? The US could promise more radar planes and missiles, but the real problem is on the holy ground in the endless coming and going of the pilgrims.

*Rambo on the Barbary Shore* describes the oil price context of the Libyan bombings: they were military warnings to Qaddafi not to push the Saudis off their course. The subsequent US and US-inspired French intervention in Chad, which lead to the apparent decisive defeat of Libyan forces in Northern Chad in the spring of 1987, continued the purely military pressure.

But what of Iran? The Iran-Contra information, for all its discretion on many details and connections (thank God!), makes it clear (for those who can see the desert from the sand) that those who were central in the organization of the April 1986 Libyan bombings landed in an unmarked airplane in Teheran airport on May 25-28, 1986, for consultations with high Iranian officials. Indeed, between August 1985 and October 1986, the US government contracted to sell at least 2000 anti-tank missiles, 120 anti-aircraft missiles and spare parts for about \$100,000,000. Bombs on Qaddafi, missiles for Khomeini? A paradox? A piece of "madness" from the Poindexter-McFarlane-Casey-North junta?

I suggest that the arms (and "intelligence" (sic!)) shipments not be

interpreted as an "arms for hostages" deal, but as part of an "arms for oil price compliance" deal. This interpretation would explain the "enigma" of the affair: why did the Reagan-NSC-CIA regime risk so much in terms of "prestige" for so little, i.e., the release of a few hostages? If the reward was instead the avoidance of an economic collapse at home, we can at least stop treating these agents of international capital as plain silly ... however plain brutal and demonic they are.

This is not what the sordid organizers of Reagan's junta claim as the motivation of their dozens of dreary meetings with equally sordid Iranian, Saudi and Israeli middlemen and small Shi'ite theocrats in hotel rooms and toilets across the Eurasian land mass. It was all for the hostages they said. Are they lying?

We have no midnight bugs nor polygraph tests to go beyond the "public record." All we can do is note the circumstantial evidence: the arms shipments spanned the period of the dollar's fall and the Saudi moves to subvert the oil price. Further, on examining, with much reluctance, boredom and a pure sense of *revolutionary duty*, the Iran-Contra material, we note National Security Decision Directive (NSDD), "US Policy Toward Iran," of June 1985, drafted by Howard R. Teicher, who was on that secret mission to Iran a year later. This NSDD is called the "intellectual formulation" of the arms deals with Iran by the Tower Commission Report (cf. B-6-B-10). When the goals of the policy were listed, among "four immediate interests" is "(3) Maintaining access to Persian Gulf oil and transit through the Gulf of Hormuz." And in the list of seven "longer-term goals" are "(1) Restoration of Iran's moderate and constructive role in the non-Communist political community, the Persian Gulf region and 'the world petroleum economy'," and "(7) Iranian moderation on OPEC pricing policy" (p. B-8). There is no specific mention of hostages in the NSDD.

Of course, as one reads most of this stuff (a task which is an additional form of CIA torture!) there is no more mention of oil. It's all "hostages," "hostages" and more "hostages". . . to the point that boredom turns to paranoia and one wonders if "hostage" is a code word. For all the talk of hostages, only three were released (four, if you include the corpse of CIA agent Buckley) during the whole August 1985-November 1986 period. On the other side, the unsaid word, "oil," underwent a substantial change: in August 1985 it was \$28bbl, in November 1986 it was \$13bbl. Perhaps we might say that the real hostages were not in Lebanon. They were the international bankers, stock brokers and government officials in NY and Washington. For these hostages the anxiety and obsession of the Iran operation would be palpable and it did bring results: the "crash" was

delayed for at least two years. No wonder why no one who "counts" wants to throw the book at the North-Zulu-Poindexter-Teicher lot!

#### IV

This speech was given in another OPEC country, Nigeria, at a time it too experienced a version of the hostage scenario . . . but it was the Nigerian workers and peasants who were the hostages then. The Nigerian government was in debt for about \$20 billion to international banks and foreign commercial lenders. The IMF offered a \$2 billion "structural adjustment loan" to "ease" repayment, on the conditions that (1) the Nigerian currency be devalued by more than 50 percent, (2) the domestic price of gasoline be doubled, and (3) a liberalization of trade and foreign investment be introduced forthwith. The IMF threatened a credit squeeze and a halting of imports if the Nigerian authorities did not comply. The government of General Buhari refused, but in late August 1985 General Babangida replaced his colleague in a coup. He immediately declared that the question before his new regime was whether the IMF loan and its conditionalities could be accepted. During the last part of 1985, he called for a "national debate on the IMF." He got more than he bargained for, with boisterous anti-loan demonstrations, reams of anti-IMF newsprint and endless academic debates. From the palm wine bars to the most decorous policy-making institutes, from the yam farms to the factories of Ikeja, there was an almost universal rejection of the "death pill": the IMF loan and its conditionalities. Babangida (facing the threat of a coup against him) publicly declared a definitive rejection of the IMF loan in December of 1985.

But as the price of petroleum collapsed in January and February 1986, international pressure began to build on the wharfs of Europe and the US. Imports stopped and the IMF's curse took effect. An IMF team was to visit Lagos in late April "to assess the situation." There was a general sense of a Babangida double-cross in the streets and universities. The protests against the US bombing of Libya in April were also anti-IMF demonstrations.

The tension built and built until it burst on May 23 at Ahmadu Bello University (ABU). An elite "kill-and-go" police team opened fire on a student demonstration, chasing students through the campus and into a neighboring village, killing more than twenty students and townspeople. After the ABU massacre, police shootings continued throughout the country's campuses, but the students reacted sharply as well. Police stations and barracks were burnt down, policemen were ambushed and

beaten, and in Ife students chanting "We are all criminals!" raided a prison, excarcerating dozens of prisoners. In Lagos, the main highways were blockaded for days by students and their street supporters. Finally the Nigeria Labour Congress (NLC) called for a nationwide work stoppage and demonstrations on June 4 to protest the ABU massacre.

Babangida called the military out, arrested the NLC leaders, closed the universities, and threatened to call for martial law. By the end of June 1986, "calm was restored." Babangida then verified the students' suspicions: he announced a "state of economic emergency" in light of the oil price collapse and launched a Structural Adjustment Program that, in effect, was based on the IMF conditionalities. Thus did the bombs on Tripoli explode in Nigeria.

### Libya, the Oil Price and the US Polled

The April 15 (1985) "raid" on Tripoli and Benghazi by US fighter-bombers poses two kinds of problems of interpretation for anyone who stands against US military and economic strategy during this period. The first is to explain the reason for the raid itself, since no serious observer of US behavior accepts the explanation that Reagan, Shultz and Walters have given, viz., Libya is being "punished" for being the "focus" of "international terrorism." The second is to understand the widely divergent reaction to the raid in the US versus the rest of the planet, i.e., the "polls" in the US indicate a 75-80 percent approval rating for the attack, while throughout the Third World and in Europe there has been a massive condemnation. These phenomena are, of course, not independent. If there was world-wide approval for them, the attacks might have been more devastating, while if the US public "attitude" was negative they might have taken a more "covert" form (as they have in the case of Nicaragua).

### I

*That which Allah giveth as spoil unto his messenger from the people of the township, it is for Allah & his messenger & for the near of kin & the orphans & needy & the wayfarer, see that it not become a commodity between the rich among you.*

— Qur-an, LIX, 7

As for the first problem, to even begin to get an understanding of the matter we must purge our minds of the mental pollution being spread by



the US government, the infinitely pliable US media and the British echo. "Terrorism" is a nineteenth century word and phenomenon arising in the context of the Russian Czarist state where the bureaucratic and industrial machinery was so underdeveloped that it made sense for some revolutionaries to envision that the physical elimination of a small number of officials would seriously threaten the existence of the state.

By the early twentieth century, none but the most foolish could hold to such an illusion in Russia; the even more terrifying automaticity and anonymity of the capitalist state had been set in place. Individuals had become as replaceable as standardized parts for a Model-T Ford. Some parts were more important than others, of course, as the battery is more important than the rear-view mirror, but all were replaceable. Thus in the twentieth century, the use and abuse of terror by no means has vanished (after all, what was the hurried explosion of nuclear bombs on a near prostrate Japan in 1945 about), but "terrorism" as a political-revolutionary strategy has all but vanished.

That in the 1980s "terrorism" and even "international terrorism" could become terms of political analysis, indeed even the purported definition of anti-capitalist struggle, shows that Power still determines Language, at least in academe and the media. Acts of guerilla war, hostage-taking, piracy, industrial or commercial sabotage (all ancient though not all "honorable" tactics perhaps in the struggle against or between states) have been called "terroristic" not because of anything intrinsic in them but simply because of their aims of their protagonists. For in contemporary parlance, to be a "terrorist act" is to be an act against US interests. This has given a field-day for columnists throughout the world to comment on the hypocrisy of the US state, for absolutely every type of act it has condemned as "terroristic," it or its servants committed, and then some. We might even long for the 1950s when the US ideology of the day was "anti-communism" At least that had some content and we could say with certainty when a state or revolutionary group could be identified independently as "communist."

Now terms like "terrorist international" are purely indexical, i.e., identifiable only with reference to the day-to-day policy decision of Washington. Thus think of the literally hundreds of anti-state armed organizations presently operating throughout the planet from Eritrea to East Timor to Northern Ireland to El Salvador to Nicaragua to South Africa. Which warrants the label "terrorist?" There is so little content in the phrase that, e.g., we have to examine the US State Department's briefings every day to determine whether the ANC is a "terrorist" or "freedom fighting"

organization.

The verbal silliness has reached such a point that even the phrase "terrorist state" has now entered into the glossary of political science. But when examined carefully the phrase is either tautological or contradictory. Tautological, on the one side, since every state ultimately rules through its monopoly of violence and terror, and contradictory on the other, since terrorists are those who are outside the state aiming to physically eliminate its personnel.

But what need Reagan care for such niceties of language and thought? So in 1985 his administration devised a list of "terrorist states:" Libya, Iran, North Korea, Nicaragua, Cuba . . . Syria(?) This list was faithfully reported and commented upon. Since then, the issue of "terrorist states" has been placed at the top of the agenda of international conferences and bodies like the EEC. Do words make reality? No, but if they are US words they appear to.

Yet what do the Juche philosophers, the Shi'ite theocrats, the Greenbook colonels, and the Marxist-Leninist revolutionaries and bureaucrats of these lands have in common? Not much . . . except that they find themselves in opposition to quite varied US interests. That anyone can take such nonsense seriously indicates a crisis all right, but it is a crisis in the international channel of communication due to the semantic filth being dumped in it by its most powerful "communicator." Pollution laws should not just deal with physical toxins.

For anyone who is interested in getting a more adequate analysis of the raid, one must lift the incident out of mythological realm of "terrorism" to the very pragmatic realm of international oil prices and interest rates. The oil price is one of the key indices of the world market due to the importance of the petroleum commodity itself and its role as the determiner of other energy commodity prices. This price has had four recent temporal points of inflection: 1974, 1979, 1981 and, most crucially for us, 1986.

US-Libyan relations since 1970 have centered on this index. For the US state considers itself the custodian for world capital of the planet's energy resources, whether these residues of geologic evolution happen to be immediately below US territory or not. This is not a Reagan invention. Carter's, Nixon's and indeed all post-WWII US administrations have affirmed this as an inevitable consequence of world capitalist hegemony. It is ultimately the US's responsibility to make the commodity form the destiny of Nature.

Libyans, after more than two millennia of struggles against

Carthaginians, Greeks, Romans, Vandals, Turks and Italians, found themselves after the coup that toppled King Idris in 1969 sitting on top of large but quite finite supplies of petroleum. Qaddafi is undoubtedly the expression of the Mediterranean-Saharan peoples who have lived on their wits for so long, finally finding the possibility of independent political action, increased mass consumption and capital formation . . . for a short but precious time. The length vitally depends upon the oil price, hence the Libyan state has been the major hawk in OPEC. Unlike Nigeria, Indonesia and Venezuela, it has a small population; but unlike Saudi Arabia and the Gulf states, it has small reserves. Consequently its survival depends upon short-term price considerations. Knowing this allows us to understand the peculiar mixture of rhetoric and pragmatism in Libyan foreign policy throughout the 1970s.

During that decade, US and Libyan interests concerning oil prices coincided. Indeed for all the anti-imperialist verbiage and the ousting of the US from Wheelus Field (once the largest US airbase outside of the territorial US), the US presence in Libya grew, thriving on the commonly desired higher price of petroleum. By 1980, three thousand US businessmen and technicians were there, 10 percent of US oil imports came from Libya, and 30 percent of Libyan imports came from the US. The sacking of the US Embassy in Tripoli in 1979 seemed to have no impact on the actual commercial and military relations between the two countries.

Further, the Libyan state frequently acted in Africa in ways quite favorable to the US. For example, Qaddafi was decisive in crushing the communist coup in the Sudan against Nimeiry in 1971, and Libya was a conduit for arms and troops for Idi Amin up to his fall in 1979. Thus "former" CIA agents (if such a category exists), were involved in training Libyan regular and paramilitary troops as well as procuring arms in the US. All this high-level hanky-panky was concretized when Billy Carter (the then-president's brother) tried to file as a "foreign agent" of Libya in 1979. He was apparently dissuaded, but the incident shows the interpenetration of these two states until 1981.

1981 is the year of the "oil glut" and marks a nodal point when US-Libyan relations begin to become antagonistic. The Libyans were still pushing for higher oil prices, but the US had decided that a stabilization of energy prices was crucial. Not surprisingly, it was during this year that the US military first attacked Libyan forces. Two Libyan jet fighters were shot down when they challenged US war planes crossing the "Line of Death" over the Gulf of Sytre.

Given its crucial role, a few words about this "Line of Death" might

be worthwhile. In 1979 Libya passed a law that outlawed the renting and leasing of residential housing and gave immediate ownership to whoever occupied a house, i.e., occupancy became tantamount to ownership. Libya made a similar principle operative internationally. The historic Gulf of Sytre (where, according to Herotodus, Odysseus was to have stopped and nearly stayed with the Lotophagi) was declared an internal bay and a "line" connecting the lips of gulf was drawn in 1979.

For two years the US made no overt attempt to challenge the claim. It was when the Libyans had to be convinced that their hope for an ever accelerating oil price (envisioned by Carter planners a mere year before) was "unrealistic" that the Sixth Fleet jets trespassed. The message was clear – neither the Gulf nor the petroleum was really owned by Libyans – and the price of oil did stabilize.

No military confrontation occurred after the onset of the "oil glut." But between Dec. 1985 and March 1986, the spot price of petroleum fell from \$29 to below \$10 a barrel. Again not surprisingly, the US has attacked Libya twice since the price drop. In March, US planes crossed the "Line of Death" to sink Libyan naval vessels and bomb missile installations. The notice was clearly stated: any serious Libyan attempt to halt the price of oil from stabilizing between \$15 and \$20 a barrel would be met with more physical force. In fact, to make this point, the attacks were timed to take place just before an OPEC emergency meeting. It was a prelude to the bombing of Tripoli and Benghazi in April, whose purpose was to drive home a bitter economic lesson: though the oil was below the Libyans' feet it was not theirs . . . occupancy does not give ownership. The landlord was calling to collect his due.

The lack of any serious state response internationally to the raids indicate that on a nation state level the US position is ultimately respected, for all the superficial sympathy with the Libyan people. We shall see, indeed, an end to US attacks not with the end of "terrorism" – which by definition is impossible – but with the passing of the reduced oil price. For "Libyan terrorism" is simply the belief that the petroleum resources locked in the Libyans' soil is theirs. Such presumption is intolerable, according to the present capitalist order.

## II

*Is there anywhere where our theory that the organization of labor is determined by the means of production is more brilliantly confirmed than in the human slaughter industry?*

– Marx to Engels (1866)

Now that we have dealt with the reasons behind the US raids on Libya in March and April we must turn to the next question: why has there been such a divergence of public reaction to the raids in the US versus the rest of the planet (and Nigeria in particular). Certainly one feels the immediate sympathy for the Libyans here in Nigeria, especially in the North. We must remember that commercial ties between Tripoli and what is now northern Nigeria go back for thousands of years, so there is much shared knowledge tying together the two ends of the Sahara. Further, given Libya's status as an African OPEC state it is not surprising that even the normally withdrawing Nigerian government was forced to voice some opposition to the US "raids."

But in this piece I want to turn my attention to the modern Sphinx, US public opinion, and try to explain what appears to be an even more upsetting aspect of the raids beside the sheer loss of life: the favorable attitude of the US public, as measured by opinion polls, to the raids. This attitude has been taken by many US spokespeople as a vindication and a go-ahead for any future attacks.

In dealing with such a multi-headed beast of many colors, we should be prepared to find many ironies, riddles and secrets. Since so much is being made of the polls, something should be said about how they are taken in the US and how the socio-economic development of the Reagan period guarantees that only a certain part of the population will be asked about the raids at all.

For the first thing to note is that these polls are not administered "on the street" or "door-to-door." On the contrary, though it might be difficult for non-wealthy Nigerians (whose public life is so alive) to understand, the average American is fearful of both approaching and being approached on the street and is totally paranoid about opening their doors to a stranger. This, of course, is a sign of a very advanced case of social disintegration, but its immediate consequence is that polls are conducted by telephone or through the mails.

This implies that those polled have either a fixed residential or employment address, have a telephone or are literate, and are not "deviant" (i.e., not in prison, living in a shelter, eating out of a soup

kitchen, etc.). In the past these conditions might not have seriously effected opinion poll results (except perhaps in the Great Depression of the 1930s), but this is not the case in the Reagan period. Both during the recession years of 1980-1983 and the "boom years" from 1984 the following trends can be noted: an unprecedented increase in homelessness and long-term unemployment, a major increase in basic telephone rates, increases in illiteracy, imprisonment and "deviance," increases in farm foreclosures, increases in the marginality and turnover of employment.

Surely these trends have not affected everyone, but the 1980s have reproduced on an extended scale major disparities between and within the social classes of the US. The most obvious indicator has been the persistence of high unemployment in the midst of one of the longest periods of "growth" in the American economy. This unevenness has a decisive effect on the measurement of public "opinion." For example, in Philadelphia one organization for the homeless is fighting to be able to make a park bench or a parking space a "legal address" so that their members can receive the minimal benefits due to them as human beings and citizens. These homeless people are hardly likely to show up in the opinion polls. Undoubtedly there are Americans who might very well have their homes crammed with computer gear and have a satellite-receiving disc on the roof to catch the latest returns from the Singapore money market. They would be very easy to find and their opinions would be immediately tally-able.

But for the individuals outside the security lock, passing though the anonymous social gallery of marginal, "off the books" jobs, soup kitchens, jails, "half-way houses" and back to the marginal jobs, these people who are largely Black or Hispanic, what do they think of the US raids? By definition, being unpolled, we cannot "know" their opinion, but one thing we can be sure of: they cannot be frightened by cries of "terrorism," their life is already Hell.

The fact is that though Ronald Reagan is called the "great communicator," he is communicating to fewer and fewer people. He is credited with fashioning a formidable pro-capitalist consensus in the US after more than a decade of wavering, but US society is becoming increasingly divided with the numerical majority being outside of this consensus. Under his rule, the communication channel is narrowing in a period when the technological means for communication are expanding beyond anyone's previous dreams.

This irony is no accident. Any period of rapid capital accumulation and concentration, as is occurring in the US in this decade, invariably

leads to the development of social misery "on the other pole," both domestically and internationally. Thus the Reagan "economic miracle" and military build-up have been made possible by budget deficits financed by the increased exploitation of Third World peasantries and miners, while the 1980s deflation is the result of the destruction of the US mass production sectors, union-busting, wage cutting and pauperization of significant sectors of the US proletariat. We must take with caution any talk of public opinion in the US now, for the consensus of the vocal makes the silence around them all the louder.

Among the polled, however, there is apparently general support for the April raid as well as for similar attacks in the future. This has been taken to be a great triumph for the communicative gifts of Ronald Reagan and, along with the Grenada adventure, a major change in US polled opinion which appears to be getting over the "Vietnam syndrome." To the more critical, this "triumph" is another example of the power the media have in manipulating the mental life to the US masses. Americans who have been softened up with grisly tales about Qaddafi for years seem more than willing to approve of his literal assassination on the basis of the most flimsy of charges (e.g., Libyan "involvement" in the bombing of a Berlin nightclub). Rambo rules, OK.

But this account, so congenial to leftist theorists of mass consciousness, runs counter to another stubborn polling result. More than 50 percent of the polled are against aid to the contras in Honduras, while a much higher percentage are against any direct US involvement in Nicaragua. If the polled are so gullible, why haven't they been equally duped by the Presidential persuasion over the "communist-terrorist" threat in the US's backyard? Certainly Reagan has spent much more time hurling invective at the Sandinistas than at Qaddafi (if that's possible).

Some might argue that this variation in response arises from differences in the objects of Reagan's vilification and aggression. Perhaps. But I wish to argue that the reaction differs due to quite realistic assessments (based on limited and prejudicial data, of course) that the majority of the polled have made about the likelihood of protracted war (that might force a mass mobilization in the US) in dealing with either recalcitrant country.

First, Qaddafi is continually presented as a "loony" dictator somehow disconnected from the Libyan body politic, while the Sandinistas (whatever Reagan might say about them) are clearly not a one-man-show. Consequently, there is a belief that a "surgical operation" could conceivably change things in Libya.<sup>1</sup> No one believes this about Nicaragua.

Second, in Libya the form of military action is usually conceived of

as being of a highly technological and temporary character (hence the use of the word "raid"), while in Nicaragua (given the long drawn out military failure of the contras) it is clear that any serious US intervention will be quite labor intensive, involving ground troops in a meat-grinder terrain similar to Vietnam's.

Thus Reagan's support is conditional upon the polled's belief that these actions against Libya will be relatively costless. Perhaps Reagan is relying on a historical unconscious which remembers in a very vague way the US "war" against Tripoli in 1803-5. This might be an obscure piece of African history to Africans, but it is presented as an important event in the history curriculum of US primary schools, for it allows the racist presumptions of US pedagogy full play. (Indeed, the "Tripoli War" is "immortalized" in the US Marine Hymn.) The actual details of the story are a bit more grubby than the technicolor illustrations in the history primers, however.

In the early nineteenth century, the "Barbary" states of the Magreb (including Tripoli) declared war on the US since it refused to pay a fixed annual sum to secure the safety of its ships on the Mediterranean. The "war" was carried on in a pretty desultory fashion, with the Tripolitanian corsairs capturing a number of US cargo ships and enslaving their crews. But things got serious when a large US frigate, the *Philadelphia*, was lured close to shore by corsairs. The ship was wrecked and its 307 man crew captured.

When the regent of Tripoli, Yusuf Qaramali, demanded \$3 million ransom for the crew, the US really swung into action. It brought Yusuf's brother, Ahmad, from Egypt, installed him in Derma (a city in Eastern Libya) and encouraged him to claim the throne of Tripoli. Fearful of an inter-family feud, Yusuf pulled back and accepted a mere \$60,000 ransom for the crew (about \$200 a head) and "promised" not to interfere with US Mediterranean shipping. (So much for the principle, "Millions for defense, not one cent for tribute.") This was the "great American victory" over the Tripoli pirates. It was neither "great" nor a "victory," but in the vagueness of schoolbook memory the incident is probably remembered as a glorious thrust against "Arab criminals with curved swords" which cost relatively little in life, limb and money. So much for schoolbook history, and history.

If I am right about the reasons for the positive response of the US polled to the Tripoli "raid," then instead of marking the end of the Vietnam syndrome, it gives it a definitive form. This is also true of the Grenada affair three years ago, which might sound paradoxical since Grenada has been touted as the sign of a new US public attitude to military adventure.



But consider the military character of the operation. It took one week for thousands of super-armed US troops supported by the most sophisticated air and naval machines to subdue a tiny, divided and demoralized island. Why? Simply because the main aim of the operation was to lose as few US troops as possible. Hence every move had to be carefully planned and the slightest opposition had to be destroyed from a distance.

Grenada was no Iwo Jima. Militarily it was a catastrophe illustrating the contradictions US military commanders face in the field. As the Beirut car-bombing a few days before the Grenada invasion showed, it is politically impossible to embark on military adventures where a substantial number of troops could be lost. The main consequence of this is that the "value" of US life forces up the capital-intensity of death production and makes it vulnerable to the problems of all such production: accidents, malfunctions, bad communications, etc. Thus in order to be sure there would be an absolute minimum of US losses, the Libyan operation had to be done at night with planes flying close to the sea; this meant that the whole flight had to be controlled by automated mechanisms. But this total dependence on machines forced a third of the bombers to return to base without discharging their bombs due to equipment failure.

This is a most strange militarism whose premise is the preservation of its personnel. It is one of the most perverse victories of the US proletariat. The image of Rambo is continually used as the representation of the new Reagan militarism enthusing the American masses. But on examining the image, one immediately sees the military defeat implicit in it. For Rambo is a singular killing machine. Gone is the mass soldier of the WWII films.

Rambo is a super death-robot, it might be totally efficient in doing its task, but its task must be extremely limited and, more importantly, it is operable only in a very restricted environment. Rambo's flying cousin, the Cruise missile, illustrates the problems of robotics. The low-flying missile is guided by a computerized map which it matches with the information provided by its visual sensors. But what happens when it snows? All the landmarks disappear and Cruise goes crazy. Once these real problems are forgotten, we can see Rambo, the muscular killing machine, as speaking to a widespread desire, but that desire is: Let Rambo do it.

True to Marx's axioms, US military policy in the 1980s is patterned on the industrial development and devolution of the US economy in the period. It is premised on the Vietnam era revolt against mass military service between 1965-73, just as recent economic strategy premises the revolt of the mass factory worker in the late 1960s and early 1970s. Further, the military's "solution" – a combination of buying high-tech,

automated death machines and hiring out the “dirty jobs” to low-waged mercenaries abroad – is identical to the economic “solution” – automation and computerization of domestic production and the exportation of “dirty work” to the “dirt wages” of the “free trade zones” of the Philippines, Singapore, South Korea, Mexico and so on. To the US proletariat’s “Take This Job and Shove It,” capital responded by permanent, high levels of unemployment in the US mass production industry and the “internationalization” of labor. Similarly, to the anti-war movement’s “Make Love Not War,” the US state responded with a nuclear buildup, “Star Wars” and the internationalization of military “man power.” The elements in both the military and economic plans are not new, of course, but the mixture of billion dollar city-killing laser satellite systems with \$1000 a year UNITA mercenaries now brings the polarization of the extremes into a historic tension.

### III

*But in spite of all your fences  
a poppy will bloom in the midst of your wheat  
and as your cold wind rises  
it will kindle its red flames  
to burn you totally down.*

– “Chrysoula” from Rita Boumi Papa’s *1000 Killed Girls*

This tension is very consciously expressed in the fiscal instability of the US government. For the US deficit (almost twenty times the Nigerian Federal Budget) is simply identical to the increased investment Reagan has directed to capital-intensive killing machines. Ironically, but necessarily, those who actually finance these deficits – the “Third World” proletariat – are the targets of the lasers, the “smart bombs” and the disembowelings that they have bought. It is not the first time the working class has financed its own extermination. As Jay Gould, an American “Robber Baron,” said a century before: “I can hire one half of the working class to kill the other half.” He forgot to mention that he got the funds from the victims as well.

In conclusion, what are the political consequences following on this analysis? First, the Libyan raids were meant to make clear that any state having “possession” of a vital international resource like petroleum has possession in an extremely qualified manner. It can possess the resource only as long as it is actually a commodity which is exchanged according to the rules of the world market, and the final arbiter of this market is the US missile-launching submarine and aircraft carrier. Thus, those nations

who have the misfortune to be "blessed by nature" with mineral deposits and oil fields are automatically in jeopardy, continually under surveillance, and open to "justifiable" attack for breach of contract with the "eternal" laws of capital. No nationalistic phrase-mongering can deny this reality; only participation in a struggle to totally transform how the gift of billions of years of evolution is used by the human race can change it. Libya is simply paying the price of even slightly tampering with the capitalist metabolism with Nature. That is its state terrorism. Therefore, it is crucial in our defense of Libya that we stick to essentials and not let ourselves be sidetracked by rhetoric from Washington, London, Tel Aviv, or even Tripoli, about what is at stake.

Second, the "consensus" of US public opinion on the raids indicates a crisis for the US proletariat. On the one side it indicates that the previously marginalized proletariat that might have provided some opposition to the state on this matter has simply been pushed over the horizon of communication. On the other side it indicates that the growing unification and identification of much of the proletariat with Reagan's project has a deep flaw: it presumes its own ability to escape risk. The part of the US proletariat supporting Reagan is not fascist, it is in a sense worse, for the fascists at least realized that they would have to do the dirty work. (Some even gloried in it.) As long as the Reagan administration can provide confidence in the automaticity of its very expensive military machines and the mercenary-ization of cannon fodder, then it need not fear any serious domestic crisis around its military adventures. But this "computerized fascist" consensus is extremely fragile and can come down with a single "shock."

May 1986



## THE DEBT CRISIS, AFRICA AND THE NEW ENCLOSURES

*Silvia Federici*

*In that brief moment the world seemed  
to stand still, waiting. There was utter silence.*

*The men of Umuofia were merged  
into the mute backcloth of trees  
and giant creepers, waiting.*

*The spell was broken by the head  
messenger. "Let me pass!" he ordered.*

*"What do you want here?"*

*"The white man whose power you know  
too well has ordered this meeting to stop."*

*– Chinua Achebe, Things Fall Apart*

TWO MAJOR POSITIONS HAVE DEVELOPED IN THE CONTROVERSY OVER THE DEBT crisis. On the one side, the Right has viewed the crisis as a threat to the international banking system, serious enough to call for harsh even draconian policy measures. The Left, instead, has stressed the human cost the International Monetary Fund (IMF) conditionalities required of debtor nations. Both Right and Left, however, share one assumption: the debt crisis is an obstacle to capitalist development in the 1990s. In this article I question this assumption and argue that the debt crisis has been a productive crisis for the capitalist classes of both the debtor and the creditor nations. Specifically I argue that the debt crisis has been used by capital to shift the balance of forces to its side on both poles of the debt relation.

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That the debt crisis is a productive crisis for capital is nowhere as visible as in Africa. For the policies the debt crisis has generated have served to "rationalize" class relations, and to tackle the most vexed question of capitalist development in the continent: who owns the land? It is an axiom of development theory that capitalist industry cannot be created without a rationalized agriculture. But rationalization is not merely a matter of obtaining tractors and fertilizers. Privatizing land tenure is infinitely more important, and it is in this context that the debt crisis has most revealed its utility.

### Settling the Land Question

Why is the "land question" so central in Africa? The answer is simple, though perhaps surprising to North American readers for whom the "land question" is a dim memory of nineteenth century struggles in the "frontier." In most of Africa, communal land relations still survive, for colonial domination failed to destroy (to a degree unmatched in other parts of the world) people's relation to the land. This is a factor bemoaned by leftist and rightist developers alike as the main reason for Africa's economic "backwardness."

*The Economist* spelled out in a "Nigeria Survey" (May 3, 1986) how crucial "the land question" is. In a section titled "The Capitalist Flaw," we read that:

With two exceptions, Kenya and Zimbabwe (which) were both subjected to farming by white men under European laws of ownership and inheritance, practically everywhere in the African continent, customary land-use laws prevail, which recognize ancient, communal rights to the land.

This means that a prospective investor must negotiate with and pay to the community "for each tree, for firewood rights, for the grazing of women's goats, for grandfather's grave." This is true even in countries like Nigeria, where the state nationalized all the land in 1978. To illustrate this scandal, the survey article shows the picture of a herd of cows circulating undisturbed, side by side with a car, in the midst of a Nigerian city, cowherd, *et al.*

Predictably, *The Economist* concludes that Africa's land "must be enclosed, and traditional rights of use, access and grazing extinguished," for everywhere "it is private ownership of land that has made capital work."

The survey forgets that land expropriation was by no means limited

to settlers' economies. Moreover, the privatization of land in Africa has proceeded throughout the 1970s and 1980s, due to World Bank Agricultural Development Projects, which under the guise of "modernization" have introduced new ownership relations in the rural areas. The encroachment of communal lands was also spurred both by Government expropriation drives (for infrastructure development, oil exploration, etc.), and by increasing urbanization.

Yet to this day at least 60 percent of the African population lives by subsistence farming, done mostly by women. Even when urbanized, many Africans expect to draw some support from the village, as the place where one may get food when on strike or unemployed, where one thinks of returning in old age, where, if one has nothing to live on, one may get some unused land to cultivate from a local chief or a plate of soup from neighbors and kin. The village is the symbol of a communal organization of life that, though under attack, has not completely disintegrated. Witness the responsibility those who move to the cities still have towards the community at home – a responsibility which easily turns into a burden, but serves to support many who otherwise would remain behind. In Nigeria, villages often pull together to pay the fees to send some children to school, with the expectation that once in possession of a diploma they will in turn help people at home.

The village to this day forms the reproductive basis of many African countries, particularly for the proletariat, who rarely, once urbanized, can afford the nuclear family "life-style" that is typical among the middle class. However, among the middle class too, the nuclear family still competes with the village, which (thanks mostly to its women) refuses to be treated like an obsolescent factory. This conflict between city and village has been the subject of many tales, picturing over-demanding kin driving their urbanize children into corruption by their unreasonable expectations. But in reality, these "unreasonable" demands have kept pressure on the urban wage, ensuring a higher level of consumption both in village and urban centers, with the result that the consciousness of the cultural and material wealth produced worldwide exists in every bush.

The survival of communal ties and the lack of a tradition of wage dependence have produced many consequences in African political economy. First, it has fostered a sense of entitlements with respect to the distribution of wealth, both in the community and by the State. Second, it is responsible for the fact that most African proletarians fail to experience capital's laws as natural laws, even though the demand for what industrial development can provide is now a general factor of social change.

This must be emphasized given the tendency in the US to see Africans either as a helpless victims (of government corruption or natural disasters) or as protagonists of backward struggles revolving around tribal allegiances (a myth perpetrated by the Western media to encourage a stand-off policy with respect to people's struggles in the continent, South Africa included). In reality, from the fields to the factories, the markets and the schools, struggles are being carried on that not only are often unmatched for their combativeness by what takes place in the First World, but are most "modern" in content. For their objective is not the preservation of a mythical past, but the redefinition of what development means for the proletariat: *access to the wealth produced internationally, but not at the price capital puts on it.*

Examples of the combativeness of African proletarians could be multiplied, ranging from the resistance to being counted, the resistance to tax collection (a task often calling for bodyguards), and to land expropriation, which often turns into open warfare. In Nigeria, for example, even though the land has been nationalized, negotiations with the local chiefs are necessary before a tract of land can be appropriated by the government, and until recently compensation for trees and crops was paid. Finally, the resistance to waged work has exceeded in Africa, in terms of work-hours lost and forms of struggle, what could be expected from a waged workforce which is at most 20 percent of the population.

The resistance of African proletarians to the expansion of capitalist relations has been compounded among the new generations, who have grown in a period of intense liberation struggles (Guinea Bissau in 1975, Angola and Mozambique in 1976, Zimbabwe in 1980) and see "the West" through the eyes of Soweto. This youth over the last decades has made international capital despair of Africans' discipline and productivity

Thus, throughout the 1970s and 1980s, prior to the debt crisis, a consensus grew within international capital that Africa is the bottom of the barrel and that the only initiative worth promoting in the continent is 'population control'. ("Africa" usually means any region except for South Africa, although southern African events, from Soweto to the demise of colonialism in Angola, Mozambique and Zimbabwe, have been crucial in determining the new "mood"). On trial is Africa's resistance to development. Africa, we are told by business analysts, is the only region in the world that has experienced no growth in the post-WWII period. Also blamed are the Africans' attachment to "their traditional ways," a code word for anti-capitalist, communalist behavior, and the standard of living Africans have demanded, particularly in countries like Nigeria or Zambia,



which in the 1970s (due to oil and copper prices) experienced a leap in the national wealth.

International capital has put into place a policy of planned underdevelopment in response to these structural political problems, which have communal land claims at their core. Not only has national capital fled from Africa, in search of safer havens in American or Swiss Banks, but foreign investors have dwindled to a handful. Africa in the 1970s and 1980s was the region that attracted the lowest rate of capital investment, only six percent of all the investment channelled to "developing" countries (UNDP, 1992, p. 53); and foreign aid too has collapsed. Meanwhile the dangers of "population explosion" as a harbinger of revolution have become the gospel of the land. Thus, as a former World Bank president Clausen put it, "Africa today is experiencing the worst depression of any world region since WWII." This means that, as far as capital is concerned, the 'development strategy' of the 1970s is over. This is the reason why African rulers have been easily converted in the 1980s to the gospel of population control, and nowadays are to warn against the 'population explosion' as a harbinger of revolution.

To what extent capital despairs of restoring profitability in Africa in the foreseeable future can be seen in both the gloomy tones in which Africa is usually discussed, and the disregard international capital displays with respect to the preservation of African labor. Africa is now the place for experiments on AIDS. It is the chemical/nuclear dustbin of the world, the region where expired pharmaceutical products, or products banned in other countries, from medicines to pesticides, are dumped.

### **The Debt Crisis as Productive Crisis for Capital**

It is within this scenario that one must understand the development of the debt crisis which, by the early 1980s, affected more than 25 African countries.

It is difficult to measure to what extent the escalation of the debt has been due to the pressure exercised by proletarian demands, which in the 1970s forced African governments to borrow money from foreign banks, or was engineered by international capital to force African governments to implement policy reforms. What is certain is that the debt crisis has provided national and international capital with a golden opportunity to attempt a wide-ranging reorganization of class relations, aimed at cheapening the cost of labor, raising social productivity, reversing "social expectations," and opening the continent to a fuller penetration of capitalist relations.

As in other Third World areas, the crisis in Africa has unfolded through two different phases, each differentiated by the more or less direct intervention of foreign governments, and the role played by international agencies. There has been, in fact, a division of labor between the IMF and the World Bank (WB). Phase I, roughly lasting from 1980 to 1984, was dominated by the IMF monetarist policies. This was the phase when, as country after country defaulted on interest payments, arrangements were made with the IMF for stand-by loans in exchange for the infamous IMF conditionalities: cuts in subsidies to products and programs, wage freeze, retrenchment in public sector and massive devaluations, which in many countries virtually demonetarized the economy. But by 1984 such was the resistance to further austerity measures and the hatred for the IMF that a new strategy had to be devised. This was accompanied by a change of the guard in the form of a World Bank takeover. Thus Phase II, which began in 1984, took the form of World Bank "economic recovery" and "development" plans.

The World Bank is an old acquaintance of the African continent, where in the post-independence period it rushed to replace the departing colonial administrators. In the 1980s, it has played capital's gray eminence in Africa. Hardly a plan or a deal has been made without its intervention, in the capacity of lender, advisor or controller. In 1984, the World Bank announced it would raise \$1 billion to provide 50 "soft loans" to sub-Saharan nations prepared to accept its recipe for economic recovery and embark on the path of economic reforms. This "special facility for Africa," which under the name of "Structural Adjustment Program" (SAP) was the model for the Baker Plan, presented at Seoul in 1985, emerged as the vehicle for the much hailed conversion to a free market economy undergone by many African countries since 1985.

SAP is Reaganite laissez faireism applied to the Third World, modeled on Milton Friedman's formula for post-Allende Chile. Its stated objective is to create an environment more congenial to business investment, and to make African labor competitive on the international market. Thus, it calls for the removal of all measures protecting the standard of living of the working class, and practically wipes out the gains the African people have made through the anti-colonial struggles.

SAP means that in exchange for "growth-oriented" loans, a country must accept a packet of reforms that include: the liberalization of imports, the privatization of state industries, the full privatization of land tenure, the abolition of restrictions on currency exchange and commodity prices, the demise of subsidies to health care, education or basic commodities, and

constant devaluations. Meanwhile, the loans granted in exchange for accepting these reforms are only intended to finance the 'adjustment' and to incentivize export-oriented production. In the rhetoric of business and the World Bank, once the prices of commodities, services and labor are allowed to "adjust to their market value" and imported commodities are once again available in the markets, everyone will be incentivized to produce more; then foreign investment will flow, exports will grow, earning solid hard currency, and recovery will be finally at hand. But SAP means that millions of Africans are made unable to support themselves, since they are expected to cultivate crops that they will not be able to use, have to pay international prices for commodities and services, although their wages average \$30 a month, and many have lost their jobs or never had a wage. Even local food prices have reached prohibitive levels, as the land is increasingly cultivated with crops not destined for local consumption.

SAP, in fact, is the vehicle for the integration of the African proletariat into the world market, but the integration it provides is not dissimilar from that of colonial times. This is apparent also at the level of the new masters. With the new productivity campaign, all attempts at "indigenization" have been abandoned, and expatriate managers and technicians are flocking back, as in the colonial days. According to the World Bank, 100,000 expatriates are presently active in the continent in the capacity of technicians and managers. The hope, it seems, is that white masters will be more effective in making people work than their African counterparts.

As the key managers of this new turn have been foreign agencies (IMF, World Bank, Paris Club, London Club, in addition to the commercial banks), the measures adopted have appeared as another chapter in neo-colonial relations, with Western banks and agencies replacing the ex-colonial powers in their imperial role. This appearance is not unfounded. Once in the grip of IMF or the World Bank, a country loses any semblance of economic and political independence. IMF representatives sit on the board of the Central Bank, no major economic project can be carried on without their approval, storms of foreign officers periodically descend on the country, in order to check its account books and (as the African stand in the Gulf War as shown) no government can remain politically independent when every few months it must plead with foreign agencies for debt rescheduling or new loans.

The case of Liberia, which in the last years of the Doe regime asked Washington to send a team of managers to run its economy, is but an

extreme example of what today is happening in most of Africa. Thus, there is a sense in which it is possible to speak of *the recolonization of Africa*, under the hegemony of Western powers, who are using the crisis to recuperate what was lost in the wake of the anti-colonial struggles.

This, however, should not hide the fact that both the crisis and the help from abroad have been welcomed by the dominant sectors of the African ruling class, who have used the external debt to free themselves from the commitment they were forced to make to their people in the aftermath of independence. Undoubtedly African leaders have had to swallow a few bitter morsels. For the African ruling class today, integration with international capital is a different deal from the one it struck in the post-independence period, when it was confronting a less unified capitalist front (with the US competing with the old colonial powers and the Soviet Union in Africa). Today the main branches of international capital are integrated. Thus, the nationalistic games African leaders were able to play – publicly boasting non-alignment and pan-Africanism while dealing behind doors with South Africa (as in the case of Nigeria) and taking money from “East” and “West” – are no longer possible. Nor is it possible for them to continue to oscillate between the Scylla of a demagogic socialism and the Charybdis of a waste of capital funds for visibly unproductive purposes.

The African leaders too have been brought to trial. The golden mouthpieces of international capital have accused them of a personalistic attachment to capital (the famous “corruption” charge) and lack of managerial skills. But the chastisement has been acknowledged as useful in most quarters. The debt crisis has been a “consciousness raising” process for African leaders, who under duress have shown the fundamental similarities of their political stands, regardless of how much socialist rhetoric they flaunt. Through the crisis African leaders have learned that they cannot rule without the help of Washington, London and Paris; thus they have willingly complied with the conditionalities of international agencies, often implementing austerity measures stiffer than those demanded, while pretending in front of people to be helpless before the IMF and the WB..

With the brief exception of Tanzania under Nyerere, and Burkina Faso under Thomas Sankara, nowhere has an African government attempted to mobilize the population that would have eagerly responded to a call for default. Instead, they have passed along the most devastating austerity policies, diverting substantial amounts of presumably scarce foreign currency to buttress their armies and police forces with the latest

anti-riot equipment. Thus the debt crisis has shown the pitfalls of the third worldist agenda, that cherished the possibility of a 'delinked,' national road to development, led by the 'patriotic' national bourgeoisie. For the crisis has unambiguously shown that the agenda of African governments and that of international capital are in essence the same.

One of the main results of the debt crisis has been the reorganization of the mechanism of capitalist command, beginning with the unification of "metropolitan" and "peripheral" capital. The turning point came in the Spring of 1986, when the Organization of African Unity (OAU) decided to bring Africa's debt problem to the UN, asking Western countries to help solve it. By this time almost every country in the continent was defaulting on its interest payments and many countries were devoting 30 to 40 percent of their budget to debt servicing — a percentage economists consider a recipe for economic disaster.

This unprecedented move was a decisive ideological victory for the Western Powers who, after decades of anti-imperialist rhetoric, felt vindicated in their pre-independence misgivings ("we told you that you were not ready!"). At a special UN session, by defeating a resolution pointing to their responsibility in the African crisis, they made it clear they would no longer hear about how colonialism pauperized Africa. It is now accepted wisdom in the US media that colonialism bears no responsibility for what is happening today in Africa.

The 1986 UN session was the Canossa of African Governments. There they publicly announced that by themselves they were unable to manage the affairs of the continent, giving the signal for old and new colonial powers (like Japan) to return to the saddle. Shultz's triumphal trip through Africa in June 1986, and the murder, one year later, of Sankara of Burkina Faso, the only African leader still speaking the language of anti-colonialism, sealed the deal.

Since then, the "debt crisis" has unfolded in Africa in all its mathematical logic, showing how misleading it is to view it as a numerical crisis, as it is usually done. The fallacy of the numerical approach is to believe that from capital's viewpoint "economic recovery" is equal to "debt reduction." If this were the case, much of what is happening around the debt would be incomprehensible. In most countries, the debt has escalated dramatically since their acceptance of the IMF-World Bank economic recovery measures. The Nigerian debt, e.g., rose from \$20 to \$30 billion after a SAP was introduced; while Africa's total external debt has tripled since 1980, and is now as large as the continent's GNP (UNDP, 1992, p. 40). This situation ceases to be paradoxical, however, if we realize

that what is at stake in the debt crisis is not the repayment of the debt, but the processes that can be activated through it. The debt crisis and SAP have made it possible to practically destroy or neutralize the labor unions, to freeze wages, to pass laws making labor and other social struggles acts of economic sabotage; to end free health care and free education, even at the primary level, to ban students' organizations. It has also resulted in the demise of local industry (not connected to foreign capital, which alone provides the hard currency needed for technology and capital investment); and most important it has given the green light to the privatization of land.

The function of the debt crisis is best seen in the escalation of repression in Africa. The debt crisis has brought the latest police technology here: cars, walkie-talkies, riot control weaponry. "Defense" spending is, in fact, the only spending international agencies have not begrudged African governments, although the same agencies count every penny when it comes to health or education.

What this has meant for people can be seen by looking at Ghana, an IMF success story, from the viewpoint of the extensiveness of the trade liberalization it allows and its present growth rate. Since 1983, when Ghana decided to comply with the IMF, the national currency, the cedi, has collapsed nearly 100 percent in value. As a result, the banknotes people are paid in are worthless, and the majority of the Ghanaians have been practically demonetized. Unions, however, have been sufficiently intimidated as to subscribe to the plan and try to keep workers from striking. Thus presently the monthly salary of a middle-level civil servant hardly pays for one third of the family food bill and many in Ghana hold on to a waged job only in the hope of "chopping for the work-side," i.e., using the facilities and utilities the workplace provides for reproduction not production. Wage or no wage, eking out a living is an endless struggle, a constant whelling and dalaing, which consumes people's energies, although in the long run, the experience of having to invent every day new means of reproduction may lead to some unexpected results. Often the only alternative to starvation are the remittances sent from workers abroad. Over the last four years two million Ghanaians, almost 20 percent of the Ghanaian population, have emigrated to Italy, Iceland, Australia, joining the thousands who are also leaving from other parts of Africa. Everywhere, in fact, from Senegal to Nigeria, to Tanzania, a new diaspora is at work, sending a large supply of workers to Europe and the U.S. They are called the "road-people," planetary transients, often thrown overboard from ships they illegally boarded, going from port to port in search of a

country that will let them in, ready to work in any conditions, since a few dollars earned selling watches or bags in New York can support a family in Accra or Dakar.

This diaspora is a gold-mine for European and American capital, but it is an economic disaster for Africa that has lost in the 1980s one third of its skilled people to Europe alone (UNDP, 1992, p. 57). Meanwhile, hunger is spreading, even in places like Nigeria, traditionally the yam basket of Africa, and even in times of bumper crops. Not only is meat disappearing, gari (cassava flour), the cheapest and most basic staple, is also becoming very expensive, particularly in the urban centers, where it must be transported by trucks and vans fueled with gasoline now costing what whisky cost in the past.

### **New Social Struggles**

The debt crisis is almost a textbook case of the old-time truth that economic liberalism not only is compatible with, but at crucial times requires social fascism. The Chilean road to economic recovery is today applied to most of liberalize, structurally adjusted Africa. The Chilean recipe has been learned by rote: students' organizations must be banned, unions must be intimidated, security forces must be remodeled (usually with the help of shadowy US-British-French-Israeli advisors). A new legislation has also been put in place, in a now standard fashion. In Nigeria we have Decree 20 against "economic sabotage" – including strikes at oil sites (establishing a death penalty for such saboteurs) – and Decree 2 establishing preventive detention for up to six months. Increasingly, capital punishment has been used as a weapon in the war against armed robbery, the African equivalent of "the war against drugs." As for the spaces left to freedom of speech, let us just mention the case of Nigeria, where even seminars on SAP have been met with armed policemen at the doors.

But these measures have not put an end to the resistance against the so called economic recovery measures. The first major failure of IMF policies appeared in Zambia in December of 1986, a few months after the UN conference on Africa. The Zambian government had to turn its back on the IMF, following massive anti-IMF, anti-austerity riots in the North of the country – the heart of the copper fields, in protest against another round of price increases and a further devaluation of the kwacha. The riot was sparked by the announcement that the government was going to double the price of maize meal, as demanded by the IMF. Housewives, youth and the unemployed took to the streets, attacked the warehouses

where the maize was stored, government offices, and even burned down the Presidential Headquarters in Kalushi. Ten people were reportedly killed in the many days of rioting, but in the end the government had to reduce the maize prices and tell the IMF it could no longer comply.

In Nigeria as well from the earliest phase of the government's negotiations with the IMF, students, market women and workers have gone to the street protesting the end of free education, tax-certificate requirements for school children enrolled in primary schools, the wage freeze, the introduction of new levies, and the removal of subsidies for domestically sold petroleum.

The involvement of students in the riots in Zambia and Nigeria is not unique. All over Africa students have been at the forefront of the anti-SAP protest. Despite the fact that they are a privileged minority, often ready after graduation to compromise their political convictions for a government job, students in many African countries are now forced, by the objective conditions of WB education planning for Africa, to take a more radical stand. The WB has prescribed a drastic reduction in the number of high school and college graduates, in order to contain wages and reduce expectations. This has been the death pill of the post-independence "social contract," which promised a reward to those who had a high school or university degree. Today unemployment among graduates is rampant; many are lucky if they manage to drive a cab. And on every campus, consequently, students are up in arms; the more so since their organizations have been banned.

An example of the repression the debt crisis has bought in its wake occurred on May 26, 1986. After a peaceful demonstration at Ahmadu Bello University in Zaria, Nigeria, one week prior to the arrival of IMF-World Bank officers in Lagos, who were to check Nigeria's books and economic plans, truckloads of Mobile Policemen invaded the campus, shooting students and visitors at sight. The machine-gun firing police chased the students into the dormitories, where scores were later found wounded or dead, and into the surrounding village houses, where they had tried to take refuge. More than 40 were killed and many more were wounded. The massacre did not stop the protests, however. In the following days students in Lagos, Ibadan and other campuses blocked the streets, attacked government buildings and prisons, excarcerating hundreds of prisoners, including some on death row).

Since then, anti-SAP riots have become endemic in Nigeria, culminating in May and June of 1989 with uprisings in the main southern cities, Lagos, Bendel, Port Harcourt. Again crowds of students, women and the



unemployed confronted the police and burned some government buildings to the ground. In Bendel, the prison was ransacked, again hundreds of prisoners were set free, and food confiscated in the pantry was later distributed to the hospitals, where patients nowadays often starve unless they can provide their own food. More than 400 people reportedly were killed in Nigeria in the same days of Tiananmen Square, although barely a word about the riots and massacres could be found in the US media.

Anti-IMF protests have occurred in Zaire, where in December 1988 a crowd of women was machine gunned by Government troops. In February of 1989 at the University in Kinshasa, scores of students and teachers were killed or wounded following protests against the rise of transport prices, which had led the students to take over a government bus. In Ghana too, student-government confrontation has been the order of the day since the implementation of the IMF and WB deal.

Uprisings are only one aspect of the resistance against austerity and SAP plans. A daily confrontation also takes place at the motor parks, as people are shocked by the hike of transport prices, at the "bukas" where people insist on having a piece of meat in their soup without having to pay the extra price, and at the markets where people defy government attempts to ban "illegal" (i.e. non-tax paying) vendors. Along with this micro-struggles against the consequences of the IMF/WB policies, armed robbery, smuggling, and land wars have also escalated.

These struggles have not been in vain. The decision at the Paris summit of the OECD (held during the bicentennial of the storming of the Bastille) to cancel a part of the African debt for those countries that implemented SAPs (up to 50 percent for the "poorest" of them) is a recognition of their power.

### **Moratoriums and the End of the Debt Crisis**

For the Left and Right analyses of the Debt Crisis constitutes a tissue of monetary facts and accumulation problems; but neither can explain why the crisis has developed and has become a chronic aspect of contemporary capitalism. What these analyses fail to point out is that the target of the Debt Crisis are not the official debtors – the Third World nations, banks and corporations – but people who fall outside of the credit system. Once we realize that the Debt Crisis is directed at the non-debtors we see, however, why it has become chronic. No one in the capitalist class, in or out of Africa, wants to end the Debt Crisis in Africa. The idea is to manage it. For debt is performing a function, as part of the credit system, which is supposed to "accelerate the material development of the produc-

tive forces and the establishment of the world market."

The Debt Crisis is a dangerous tool, however, as its internationalization opens up planetary circuits of struggle, that inadvertently may be conducive to the realization of a new level of solidarity within the planetary proletariat. The Debt Crisis can result in the "disintegration of the old mode of production," as it was once predicted by an old Moorish debtor.

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## THE NEW ENCLOSURES

*Midnight Notes Collective*

*... the historical movement which changes the producers into waged workers, appears on the one hand as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But on the other hand these new freedmen became sellers of themselves only after they had been robbed of all their own means of production and all the guarantees of existence offered by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.*

- Karl Marx, *Capital*, Vol. 1

*The docile Sambo could and did become the revolutionary Nat Turner overnight. The slaves, under the leadership of those from the more complex African societies, fought and ran away, stole and feigned innocence, malingered on the job while seeming to work as hard as possible. And they lived to fight another day.*

- George Rawick, *From Sundown to Sunup*

G LASNOST, END OF THE COLD WAR, UNITED EUROPE, WE ARE THE WORLD, SAVE the Amazon Rain Forest ... these are typical phrases of the day. They suggest an age of historic openness, globalism, and breakdown of political and economic barriers. In the midst of this expansiveness, however, Midnight Notes poses the issue of "The New Enclosures." For a corrosive secret is hidden in the gleaming idols of globalism, the end of the blocs and Gaian ecological consciousness: the last decade has seen the largest

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Enclosure of the worldly Common in history. Our articles reveal this secret in detail, as well as the resistance to it. This introduction explains the meaning and importance of Enclosures, both Old and New, in the planetary struggle of classes.

The Old Enclosures were a counter-revolutionary process whereby, after a century of high wages and breakdown of feudal authority, beginning in the late 1400s, farmers in England were expropriated from their land and commons by state officials and landlords. They were turned into paupers, vagabonds and beggars, and later into waged workers, while the land was put to work to feed the incipient international market for agricultural commodities.

According to the Marxist tradition, the Enclosures were the starting point of capitalist society. They were the basic device of "original accumulation" which created a population of workers "free" from any means of reproduction and thus compelled (in time) to work for a wage.

The Enclosures, however, are not a one time process exhausted at the dawn of capitalism. They are a regular return on the path of accumulation and a structural component of class struggle. Any leap in proletarian power demands a dynamic capitalist response: both the expanded appropriation of new resources and new labor power and the extension of capitalist relations, or else capitalism is threatened with extinction. Thus, Enclosure is one process that unifies proletarians throughout capital's history, for despite our differences we all have entered capitalism through the same door: the loss of our land and of the rights attached to it, whether this loss has taken place in Front Mill, England, in southern Italy, in the Andes, on the Niger Delta, or in the Lower East Side of New York City.

### **The Apocalypse of the Trinity of Deals**

Today, once again, the Enclosures are the common denominator of proletarian experience across the globe. In the biggest diaspora of the century, on every continent millions are being uprooted from their land, their jobs, their homes through wars, famines, plagues, and the IMF ordered devaluations (the four knights of the modern apocalypse) and scattered to the corners of the globe.

In Nigeria, for example, people currently are being thrown off communally-owned land by troops to make way for plantations owned and managed by the World Bank. The reason? The government points to the "debt crisis" and the International Monetary Fund dictated "Structural Adjustment Program" (SAP) allegedly devised for its solution. The SAP for

Nigeria is similar to SAPs being implemented throughout Asia, Africa and Latin America. They invariably include the commercialization of agriculture and the demonetization of the economy via massive devaluations which reduce money wages to a paper value. The result is destruction of village communities, emigration to nearby cities and then, for the desperate, clever or lucky, a chance to work in New York or Naples.

In the United States, millions are homeless and on the move. The immediate reasons are highly publicized: the farm crisis, the steep rise of rental and mortgage payments relative to wages, the warehousing of apartments and gentrification, the collapse of the social safety net, union busting. Behind these reasons, however, is a fact: the decline, since 1973, of real wages for the mass of workers. The post-WWII inter-class deal that guaranteed real wage increases is now definitively over and the homeless are the shock(ed) troops of this fact. But even those whose wages have escaped the deal's collapse complain of the concomitant loss of the natural Commons due to a series of Big Catastrophes from the vanishing ozone layer to the burnt-out rain forests.

In China, the transition to a "free market economy" has led to the displacement of one hundred million from their communally operated lands. Their urban counterparts are facing the loss of guaranteed jobs in factories and offices and the prospect of emigrating from one city to another to look for a wage. The "iron rice bowl" is to be smashed while a similar scenario is developing in the Soviet Union and Eastern Europe. The post-WWII OECD (Western European-North American-Japanese), socialist, and third-worldist deals are all now null and void, as the examples of the US, China and Nigeria show. We refuse to mourn them. For who first voided them but brother and sister proletarians around the planet who desired and demanded more, much more than what was settled for? Not surprisingly, the old python of Capital has reacted instinctually and "originally" with a new lunge and the bite of Enclosures. This issue of Midnight Notes will show the unity of capital's reaction in the most diverse places and names, as well as the polymorphous struggle aiming to transcend it.

The "debt crisis," "homelessness," and "the collapse of socialism" are frequently treated as different phenomena by both the media and left journals. For us at Midnight they but deceptively name aspects of a single unified process: the New Enclosures, which must operate throughout the planet in differing, divisive guises while being totally interdependent.

Under the logic of capitalist accumulation in this period, for every factory in a free-trade zone in China privatized and sold to a New York

commercial bank, or for every acre enclosed by a World Bank development project in Africa or Asia as part of a "debt for equity" swap, a corresponding enclosure must occur in the US and Western Europe. Thus when communal land in Nigeria is expropriated or when the policy of free housing for workers is abolished in China, there must be a matching expropriation in the US be it the end of a "good paying" factory job in Youngstown, the destruction of a working class community in Jay, Maine or the imposition of martial law in New York City's parks. With each contraction of "communal rights" in the Third World or of "socialist rights" in the Soviet Union and China, comes a subtraction of our seemingly sacred "social rights" in the US. Indeed, this subtraction has gone on so thoroughly in the 1980s that even the definition of what it means to be human is being revised by both capital and the proletariat.

This mutual contraction of the "right to subsist" in the Third World, the socialist countries and in the US is no accident. In no way could capital have won in any place if it had not operated in every place. Only if Filipinos thrown off the land could be used in "free enterprise zones" in Manila or as "shit" workers in Italy could capital reduce real wages in the US or sustain chronically high unemployment rates in Europe. Third world and socialist enclosures, apparently so distant and exotic from Boston or New York, inevitably become First World ones, equally distant and exotic from Lagos or Beijing.

The New Enclosures are so radical in their attack on what proletarian struggles in the course of history have imposed as human rights because capital confronted a life-and-death crisis that precluded any social-democratic deal. At the end of WWII, capital (in its Western and Eastern modes) offered a variety of slogans to the world proletariat: from "collective bargaining" and "racial integration" in the US, to the family "social wage" in the USSR, to "colonial emancipation" in Asia and Africa. An enormous struggle ensued to determine the content of these slogans; but between 1965 and 1975, proletarian initiatives transcended the limits of capital's historic possibilities. From the Watts riot to the "Prague Spring" to Italy's "hot autumn" to the last US helicopter escaping from the fall of Saigon, the profit picture internationally turned sour and capital was facing euthanasia. Consequently, all deals were off and capital went on the attack everywhere.

At the end of the 1980s, capital seems to have gotten the better of the nullification of these various social contracts. For example, the US Left currently looks at "collective bargaining" and "racial integration" as utopias, while the Soviet workers anxiously watch as their "social wage"

rapidly recedes into the past. Indeed, "colonial emancipation" is a phrase that, if any one has the bad taste to bring it up, can only cause derision. How have these "inalienable rights" been so rapidly alienated? Through the operation of the New Enclosures which attempt to eliminate any "traditional," "organic" or institutionalized relation between proletarians themselves and the powers of the earth or of their past.

These New Enclosures, therefore, name the large-scale reorganization of the accumulation process which has been underway since the mid-1970s. The main objective of this process has been to uproot workers from the terrain on which their organizational power has been built, so that, like the African slaves transplanted to the Americas, they are forced to work and fight in a strange environment where the forms of resistance possible at home are no longer available.

Thus, once again, as at the dawn of capitalism, the physiognomy of the world proletariat is that of the pauper, the vagabond, the criminal, the panhandler, the street peddler, the refugee sweatshop worker, the mercenary, the rioter.

### **The Pentagon of Enclosures**

How have the New Enclosures been worked? First and foremost the New Enclosures operate exactly as the Old Enclosures did: by ending communal control of the means of subsistence. There are very few groups today who still can provide directly with their land and their work for their own needs. Even the last "aboriginals" from Indonesia to the Amazonas are being violently enclosed in governmental reservations. More commonly, the so-called "peasant" in the Third World today is a person who survives thanks to remittances from a brother or sister who has emigrated to New York; or by growing, in the most dangerous work conditions, poppies or coca leaves for export; or by prostituting him/herself to the carriers of hard-currencies (the great and perhaps only aphrodisiac of the age); or by migrating to the nearby cities to join the swelling ranks of day laborers, street peddlers or "free enterprise zone" workers, where conditions are often more dangerous than in the poppy fields back home.

The second major method of the New Enclosures is again similar to the Old: seizing land for debt. Just as the Tudor court sold off huge tracts of monastery and communal land to their creditors, so too modern African and Asian governments agree to capitalize and "rationalize" agricultural land in order to satisfy IMF auditors who will only "forgive" foreign loans under those conditions. Just as heads of clans in the Scottish Highlands of the eighteenth century connived with local merchants and bankers to

whom they were indebted in order to "clear the land" of their own clansmen and women, so too local chiefs in Africa and Asia exchange communal land rights for unredeemed loans. The result now as then is enclosure: the internal and external destruction of traditional rights to subsistence. This is the secret hidden in the noise of the "debt crisis."

Third, the New Enclosures make mobile and migrant labor the dominant form of labor. We are now the most geographically mobile labor force since the advent of capitalism. Capital keeps us constantly on the move, separating us from our countries, farms, gardens, homes, workplaces because this guarantees cheap wages, communal disorganization and maximum vulnerability in front of law courts and police.

Fourth, the New Enclosures require the collapse of socialism from the USSR, to Poland to China. The aim of Enclosure could not be realized unless there was a dramatic increase in the international competition of workers and thus an enormous expansion of the world labor market. One third of the world's proletariat could no longer be kept out of competition with the rest of the world proletariat while socialist capital could no longer repress the socialist working class' desire to be able to appropriate universal wealth . . . even though this wealth be embodied in the commodity form.

For a long time socialism has ceased to be a pole of proletarian attraction. The anti-colonial revolutions of the 1960s and the primary commodities boom of the 1970s gave it some breathing space, but by the 1980s the game was up. The reasons for socialism's collapse are, in retrospect at least, rather obvious. Socialism is another name for a class "deal" that normally exchanges a guaranteed job at a lower level of exploitation for lower wages. "Lower," of course, is a relative term and it presupposes a comparison with a capitalist standard. The deal works as long as the guarantees, the exploitation and the wages are in synch.

By the 1980s, especially with the collapse of energy prices, socialist wages became too low on an international standard for the socialist working class to tolerate. But the exploitation rate the state demanded was simultaneously too high, while its guarantees were looking less and less promising to the proletariat. For with the computer-based technological leap, the expansion of production into the low waged Third World, and the end of the energy crisis in the OECD countries, the value of socialist work on the world market collapsed. It was not merely lower, it was almost nil. The "deal" fell apart at the seams and the piece-meal attempts to patch it worsened the tear. For example, the loans taken out by Eastern European countries in the 1970s (similar to the Third World loans of the time) to



allow them to take part in the technological leap has required an enormous increase in exploitation and decrease in wages. The result: rebellion, disgruntlement and emigration.

Should we shed tears for this fallen deal? Hardly. For the collapse of socialism provides the definitive answer to the riddle of the Great Twentieth Century Sphinx: the socialist working class. How many tomes have been written to determine whether this rough beast really is a working class? We can now consign them to the archives, for the socialist working class has come out of the closet. The fairy tale of "opposing blocs" is finished and we can directly see the class struggle from Berlin to Ho Chi Minh City. We now have the same bosses and can compare, on the same jobs, the relative merits of the different systems. If anything, the working class "virtues of socialism" will especially be tested in the next decade. When the new class struggles of the 1990s erupt in Eastern Europe, the Soviet Union and China, we will then see if the values of "solidarity," "cooperation" and "internationalism" have really sedimented.

The fifth aspect of the New Enclosures' operation is in its attack on our reproduction: making us mutants as well as migrants! The highly advertised disappearance of the rain forest, the much commented upon hole in the ozone layer, the widely lamented pollution of air, sea and beach, along with the obvious shrinking of our living spaces, are all a part of the destruction of the earthly commons. Even the high seas have been enclosed in the 1980s with the dramatic extension of the traditional territorial limits. You need not be a science fiction freak to feel that we are guinea pigs in a capitalist experiment in non-evolutionary species change. Human proletarians are not alone in this speed-up and shrink-down. Animals, from protozoa to cows, are being engineered and patented to eat oil spills, produce more eggs per hour, secrete more hormones. Increasingly, land is no longer valued for how much food it can grow or what kind of buildings it can support but for how much radioactive waste it can "safely" store. Thus a tired earthly commons, the gift of billions of years of laborless transformation, meets tired human bodies.

Capital has long dreamed of sending us to work in space, where nothing would be left to us except our work-machine and rarefied and repressive work relations (see "Mormons in Space," *Computer State Notes*, *Midnight Notes* #5). But the fact is that the earth is becoming a space station and millions are already living in space-colony conditions: no oxygen to breathe, limited social/physical contact, a desexualized life, difficulty of communication, lack of sun and green . . . even the voices of the migrating birds are missing.

The sentimental horror of this aspect of the New Enclosures has turned a profit for many a publisher and film corporation but we would like to point out its purgative value. For the bodily and personal common, which for most of the proletariat had been free, is now increasingly being enclosed for all to see. Appearance and attitude are increasingly aspects of the work process in the so-called "service industries" from restaurants to hospitals. In the past how a worker looked or what s/he felt on the assembly line, farm or in the mine was immaterial to the wage relation. This has definitively changed. Those who "work with the public" are now continually monitored from their urine to their sweat glands to their back brains. Capital now treats us as did the inquisitors of old, looking for the devil's marks of class struggle on our bodies and demanding that we open it up for alienation. The most "extreme" case of this enclosure is in the personal-political debates around the increasing recourse to reconstructive surgery in the working class. The siliconed breasts of the recent Miss America are the concrete universals of this trend. Are we to lament or condemn them? No, for they simply point out that though the bourgeoisie had long lost its body, the working class is now being forced to follow suit. Not only "beauty queens" and "male leads" must buy and re-buy their bodies piece-by-piece, reconstructive surgery is now a must for many jobs in the "service economy" and exposes for all of us to see and evaluate the commodity nature of capitalist relations.

These five aspects of capital's response to class struggle have been at least partially successful due to their ability to recapitulate proletarian desires. After all, even during the period of the Old Enclosures many were attracted to the possibilities of universal consumption offered by urban life and did not wait for the state thugs' arrival on the village green to head for the city. A similar point can be made about present-day socialism. For the socialist workers' desire to participate in the exchange of universal labor has been a crucial factor in the "battering down" the walls of socialism. Indeed, the allure of the world market lies not in its evident exploitative consequences but rather in the energies it unleashes for travel, communication and wealth appropriation. Post-WWII socialism was certainly unable to generate alternative models of international exchange and reproduction either in the form of a Comintern bureaucracy or Che Guevara's ideals, hence socialist internationalism on the economic plane evaporated in the current crisis.

### **The Spiral of Struggle**

Though the New Enclosures have been able to entice and divide, they have been fiercely fought and have brought about, unintentionally, an increased proletarian knowledge and autonomy. Most obviously, the planet has rung and reverberated with anti-IMF demonstrations, riots and rebellions. In 1989 alone, the streets and campuses of Venezuela, Burma, Zaire, Nigeria, and Argentina have seen confrontations between armed troops and students and workers who chant "Death to the IMF," loot foreign commodities markets, excarcerate prisoners, and burn banks. Though access to universal wealth is desired, the institutional forms of the world market that are using the "debt crisis" to create the New Enclosures are physically under a self-conscious attack throughout Africa, Latin America and Asia.

Not only is the money form of the New Enclosures being resisted, there has been a world-wide land war taking place in the 1980s. Up the Andes into Central America and Mexico there has been desperate and chronic armed struggle over the control of land (frequently referred to in the US as an aspect of the "drug problem"). In West Africa there is a micro-level of armed struggle against land seizures by the state and development banks (frequently discussed as anachronistic "tribal war"). In southern Africa, the battle over land and its control, both in town and country, is included as an aspect of "the struggle against apartheid," while in East Africa it is considered a "problem of nationalities." Land War is, of course, what the "Palestinian issue" is about, while from Afghanistan through India to Sri Lanka, the Philippines and Indonesia, proletarians have taken up arms against the New Enclosures in a wide variety of forms. But in the 1980s this Land War has not only been a rural, "third worldist" struggle. From West Berlin, to Zurich, to Amsterdam, to London, to New York, squatters, street people and the "homeless" have battled against police, arsonists in the pay of real estate developers, and other agents of "spatial deconcentration" not simply for "housing" but for land and all that it means.

These direct, violent and frequently armed confrontations have certainly limited the pace and scope of the New Enclosures but there have been other, often unintended, consequences of the New Enclosures that will perhaps be even more central to their universal leveling. First, the New Enclosures have led to an enormous increase and intensification of proletarian knowledge of the international class composition. For example, the average West African farmer in the 1980s knows about the deals that

can go down in Brooklyn, London and Venice. Second, the New Enclosures have forced an internationalism of proletarian action, since the proletariat has never been so compelled to overcome its regionalism and nationalism, as people are losing not just their plot of land but their stake in their countries. Third, the very extremities of the debt crisis and the need to organize reproduction outside of the money relation has often forced workers to develop their autonomy by imposing the task of creating a whole system of production and reproduction outside of the standard operating procedures of capitalist society.

### The Marxist Ghost at Midnight

These unintended consequences of the New Enclosures and their possibilities are themes near and dear to the work of Marx and Engels, and it is time now to speak of them. For one of the central ironies of the present is that at the very time when socialism is collapsing, Marx's predictions concerning the development of capitalism are being verified. Though "postist" intellectuals are now dancing on Marx's grave while "Marxists" are desperately trying to revise their curriculum vitae, Marx's theory has never been so true. What are we seeing now but the famous "immiseration of the working class," "the expansion of the world market," "universal competition among workers," and "rising organic composition of capital"? How can we understand anything about this world without using the axioms of Marx's theory of work, money and profit? Capitalists certainly cannot!

Theoretically, then, Marx's ghost still speaks truly at midnight. Strategically, however, Marx and Engels fail at this moment of the New Enclosures. It is worthwhile to explain why. The Marx of *Capital*, while recognizing the complexity of the situation, would have most likely understood the New Enclosures as he did the Old: they were fundamentally a stage in the "progressive nature" of capitalist development as it prepares the material conditions for a communist society. The two decisive tendencies in this development are: (1) it breaks down local barriers and the separation of town and country, thus producing a truly universal human being capable of benefiting from the world-wide production of cultural and material wealth, and (2) it unifies the international working class which increasingly recognizes and acts on its common interest. Consequently, for all the pain and death, the "blood and fire" of the Old Enclosures, they were inevitable and ultimately historically positive, for they accomplished "the dissolution of private property based on the labor of its owner."

By destroying the mode of production "where the laborer is the private owner of his own means of labor set in action by himself: the peasant of the land which he cultivates, the artisan of the tool which he handles as a virtuoso," the Enclosures set the stage for the creation of "capitalist private property, already practically resting on socialized production." The Enclosures, therefore, are the "protracted, violent, and difficult" transformation that makes possible the easier "expropriation of a few usurpers by the mass of people" in the communist revolution.

The problem with this analysis is simple: the New Enclosures (and probably many of the Old) are not aimed only at petty private producers and their property. They also aim to destroy communal land and space that forms an energy well of proletarian power. A Quiche Indian village in the Guatemalan hills, a tract of communally operated land in the Niger Delta, an urban neighborhood like Tepito in Mexico City, a town surrounding a paper mill controlled by striking paperworkers like Jay, Maine, do not fit into the classic Marxist model of the Enclosures. In each of these examples we are not confronted with a number of isolated, petty producers but a staging point for proletarian attack or a logistical locus. It is plain madness to accept the demise of such villages, tracts of land, neighborhoods and towns as necessary and ultimately progressive sacrifices to the destruction of capitalism and the development of truly "universal" proletarians. Universal or not, real, living proletarians (that do not live on air) must put their feet some place, must strike from some place, must rest some place, must retreat some place. For class war does not happen on an abstract board totting up profit and loss, it is a war that needs a terrain.

Marx's righteous horror of "petty producers" and their disgusting behavior must not lead us to a loss of strategic reality under the rubric of honorific formulae. He did not see in 1867 the possibilities of proletarian power, however contradictory, in the intact communal life of millions in Africa, Asia, Oceania and the Americas. One certainly cannot find in *Capital* a call for the European proletariat to fight against the Enclosure of these communal peoples.

Similarly, Engels could not see a new communal power developing in the proletarian quarters of the new industrial cities of Europe that needed to be struggled for. To understand this strategic failure, let us look at a truly remarkable work of Engels, *The Housing Question* (1872), written a year after the Paris Commune. It is lucid, trenchant and more insightful than anything the housing and homelessness movement has recently produced. Engels seems to be describing, as if in a vision, New York of the 1980s by drawing on his observations of nineteenth-century London, Manchester,

Paris and Berlin. He even describes a nineteenth century version of “spatial deconcentration” he attributes to Haussman, a Bonapartist urban developer. Haussman apparently planned “breaking long straight and broad streets through the closely-built workers’ quarters and erecting big luxurious buildings on both sides of them, the intention thereby, apart from the strategic aim of making barricade fighting more difficult, being also to develop a specifically Bonapartist building trades proletariat dependent on the government and to turn the city into a pure luxury city.”

But in the midst of these acute observations, Engels’ actual discussion of the “housing question” is disappointing. Why? Because he puts aside his strategic standpoint, namely, how does the spatially defined class composition in a city determine working class power, to deal with two other classic Marxist points: (a) the average house rent paid by workers is simply a redistribution of surplus value between industrial capitalists and rentiers, (b) the “solution” to the housing question cannot be the promotion of home ownership since that would “bourgeoisify” workers and delay the coming of the real solution, revolution. The first point is abstract and, more or less, true, while the second reflects the horror-of-the-petty-proprietor-vacuum typical of Marx and Engels. Therefore, he nowhere takes up the defense of workers’ quarters as an essential aspect of the “housing question” and an important strategic consideration of class thought.

It appears that in Engels’ judgement, the housing market can totally transform the spatial composition of an urban working class and yet be irrelevant to “the housing question.” Aside from being absurd, this is certainly not the view of capital’s Hausmanns then and now. Certainly Engels should have realized that revolutions are not made in a heaven of ideas, they are usually made, at least in their final stages, in cities where the question of disposition of forces is crucial. Perhaps Engels’ strategic neglect of working class topology was a product of the failure of the now classic revolutionary scenario of the Paris Commune played out a year before *The Housing Question* was published. More likely it was the result of a deeper categorical failure of Marxist understanding of the Enclosures that remains central to Marxism to this day. This is especially true of its “third worldist” variants that are frequently accepted by those in the frontline struggles against the New Enclosures, either as organizers of anti-IMF demos or guerrilla armies fighting for land. These forms of Marxism are now in deep crisis. At first sight the crisis of “third world” Marxism seems rooted in the collapse of its major socialist models, the Soviet Union and China, and has nothing to do with the understanding of

the Enclosures both Old and New. First and foremost, therefore, the crisis appears as the end of military and economic aid that often had been provided by the socialist bloc as an aspect of "proletarian internationalism." Such a view is superficial.

"Third world" Marxists accept the notion of the progressivity of original accumulation. Consequently, even though they officially fight against the New Enclosures, they envision their party and state as carrying out their own Enclosures on their own people even more efficiently and "progressively" than the capitalists could do. They interpret communal ownership of land and the local market exchanges as being the marks of "petty bourgeois" characteristics they must extirpate. Their revolutionary action aims to nationalize land and wipe out local markets as well as kick out the IMF and the "comprador" ruling elite. Yet the first goal is an anathema to many of those people attracted by the struggle against the New Enclosures in the first place! The confusion thickens at victory where there is a tendency to create or continue the two "advanced" forms of land tenure – state plantations (Mozambique) or capitalist farms (Zimbabwe) – at the expense of communal possibilities and actualities. Inevitably the conditions for counterrevolution ripen while the impossibility of carrying out autarchic economic measures becomes clear, since the very structures that might have sustained autarchy and denied land to the "contras" have been destroyed by the revolutionary forces themselves.

As a consequence, low intensity counterrevolutionary warfare and high interest rates unravel the revolution. For it is relatively easy in the late twentieth century to practice the science of revolution and succeed. It is this ease that has made it imperative for capital, on the other side, to make sure that the consequences of winning will be catastrophe and despair. Hence the crisis of the third worldist left, which has its roots not only in the insidious demonic plans of the CIA, but also in the failure of Marx's own analysis of the Old Enclosures themselves.

In contrast, capital's most advanced public self-understanding of the New Enclosures, with the visible collapse of the socialist models and a crisis of revolutionary "third world" Marxism, is embodied in the slogan "the End of History." This phrase interprets the end of socialist states and parties as the annihilation of the driving contradiction of world history, and the triumph of the world market as the mark of a uniform planetary commodification called "Westernization" and "democracy." With no such "contradiction" there is no History of the grand narrative, of course. How seriously we should take this piece of State Department post-modernism is moot, but the scenario it suggests is simple. It returns the class struggle

back to its pre-WWI situation and poses two choices to OECD workers: "liberalism" or "imperialism." The liberal moment accepts the "market mechanism" where we meet as different functions of the work process in a triage-like environment, so that upgrading our "survival skills" becomes the only goal in "life." The imperialist moment urges the internationalization of conquest and plunder whereby we reject competition by becoming accomplices of our immediate bosses in the direct exploitation of other proletarians, so that victory means a South African deal: better wages and a home of one's own . . . protected by martial law, torture cells and a gun in the handbag. More probably a disgusting mix of the two would be more palatable!

### The Greening of the Deal

In the looming shadow of these bleak capitalist prospects and with the collapse of socialism, the "greens" have come forward with a global perspective calling on human aspirations transcending the market. From Earth First!'s "Think like a mountain" to Greenpeace's "Nuclear-free seas," the ecological movement seems to have been a major force in confronting the New Enclosures in the 1980s. "Green" militants have sabotaged deforestation, blown up power lines, aborted nuclear tests, and in general have played the "Luddites" of the New Enclosures, while "Green" parties in Europe attracted the support of many (who in a previous period would have joined the socialists or communists) by voicing political and ideological resistance to the grossest consequences of capitalist development. The "Greens" (along with their animal liberation allies) have brought some outlaw guts and angelic passion to the struggles of the last decade. But their class composition has limited their efforts up to now.

As we pointed out in "Strange Victories" (1979), the US anti-nuke movement in the 1970s – which is the political root of the contemporary ecological movement – had a limited class composition. It was based on the rural population living around the nuclear plants and "an additional factor": an intellectual labor force that had relocated in the rural areas around the plants after the 1960s. We also argued then that unless the anti-nuclear movement went beyond this rather limited class composition and brought the urban and industrial proletariat into the movement, the nuclear industry would not be defeated. Energy prices were the key to expanding the class composition of the movement and so it proved. The explosion of struggles against energy price hikes in the streets and highways of the US (as well as revolutions and insurrections in oil producing countries) in 1979-80 forced capital to stabilize energy prices.



This sealed the doom of the US nuclear industry in this century at least.

The contemporary ecology movement, however, has not learned the secret of its predecessor's "strange victories." The peculiar dialectic between rioting petroleum junkies and anti-nuke angels in 1979-80 never developed into a truly proletarian movement that could have gone beyond merely managing the environmental consequences of capitalist accumulation. Ecologists in the Reagan period returned to the self-righteous ideology of "natural consciousness," morality of "good will" and a practice of "recycling" and "stewardship" of the 1970s. This movement has all the markings of Marx and Engels' petty producers' thought and manners writ large. Even the etymology of its name has echoes of the ancient Greek aristocrat's "aikos" or "hearth and home." But just as the word "economy" surreptitiously introduces into the capitalist factory the rural patriarchal relations of father-wife-child-slave, so too "ecology" presumes that the earth is an "aikos" to be well managed instead of the terrain of global class struggle. For proletarians might be natives of the earth but we have no home here.

As a consequence of this political conservatism, the ecology movement has missed an enormous historical opportunity to once again transcend its rather limited class composition. For with the collapse of the post-WWII deal in the US, there is finally a chance to break the tie that bound working class wage increases in the past with the destruction of the commons. These wage increases have been definitively denied, the deal is off, but capital is still operating as if it can use our "lebensraum" for its defecations. But workers are increasingly denying capital its "right to shit." For example, an important aspect of the strike against International Paper in Jay, Maine, lies in the strikers' support for an environmental ordinance that literally said to IP: if you demand total control of the production process inside the plant, we demand total control of the reproduction process outside the plant. This type of action is at the heart of a new possibility for a new ecology movement that would reject its angelic status and come to a proletarian earth. For if one generalized the Jay workers' tactic into a struggle that denied capital the possibility of enclosing and selectively destroying the natural commons gratis, a truly revolutionary crisis would emerge.

Such a shift in the direction of the ecology movement would be one part of a larger process which would transform the New Enclosures into a definitive occasion of proletarian unification and capitalist catastrophe. In practice this means the creation of individuals and organizations that can both think and act globally and locally which is exactly what the

struggles around the New Enclosures do. The root of this result is actualized in the struggles against the New Enclosures that simultaneously re-appropriate and hold places from capital while opening spaces for proletarian movement. This is why defensive localism, provincialism, nationalism and racism appear so attractive to many in the working class at the moment, for they seem to offer some protection against the most obvious sign of the New Enclosures for many in North America and Europe: the arrival of the "other" worker. But such a reaction is doomed, the more such places are sealed off by "Whites Only" signs, the more constricted the spaces of proletarian action. There are those, on the contrary, especially in the Third World and the socialist countries, who now revel in the opening of proletarian space for movement seeking to escape the most immediate consequences of the New Enclosures there, wagelessness. But if they do not create places against capital at the termini of their trajectory, they will find themselves, like the pirates of the Caribbean, continually displaced and eventually exhausted and exterminated.

The concrete task of reconstructing a new proletarian geometry is going on in such places like New York, Boston, Zurich, Jay, Maine, Beijing and Lagos. They find a place and space in this issue.

### The Last Jubilee?

But can we end here with this dry hope for an abstract, almost paradoxical proletarian geometry? Have we too been infected by the post-modern anti-revolutionary malaise? This malaise is strange indeed, for with the definitive collapse of the era's three basic deals, a moment of classic revolutionary crisis opens. Yet, though at the instant of this initiation capital is most unstable, capital's fetishistic charm still seems potent. While all around us unprecedented revolutionary events unfold, postists hail the end of revolution, the end of class struggle, the end of the Grand Proletarian Narrative or, implicitly and conversely, the total triumph of capital.

It is now time at midnight for other words and spells in the magic struggle of classes. In this introduction we have reintroduced some old terms, "enclosure" and "commons." As we end let us recall another: "Jubilee." We might at first be thought slightly mad. After all, as our comrades are being hunted down, blown up, imprisoned and tortured around the globe, the very utterance of "jubilee" seems incongruous or even obscene. Is this the time for jubilation? But every struggle against enclosure and for the commons inevitably becomes a call of jubilee.

The term itself comes from the Old Testament but was revived in two central spots in the capitalist period. "Jubilee," in general, meant the abolition of slavery, the cancellation of all debt and a return of all lands to the common. It did occur periodically among ancient Mesopotamian peoples, including the Hebrews. But in the late eighteenth century the term was used in the English countryside to demand an end to enclosures while across the Atlantic African slaves used "jubilee" to demand liberation from slavery. This word thus linked the poles of trans-Atlantic struggle against capital in the pre-Marxian era. Can it do so again? Perhaps not, but the secret energies within the demand for Jubilee are far from spent. On the contrary, at this moment when the roof has been blown off all the covenants between classes, the demand to re-begin the story of humankind in common is the force that capital itself must depend upon to create a true world market. It is that force of jubilee that has led to this issue.

*Down with the New Enclosures,  
Time for the Last Jubilee...!*

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